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THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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The Nation's Business

General Manager For War Supply

Speaking to an editorial member of The Financial Post staff recently, one of Canada's leading businessmen made this comment:

"You are very much on the right track in protesting about the lack of co-ordination at Ottawa in the handling of war orders.

"We badly need one man of proved ability and capacity to be the general manager of Canada's procurement programme."

The man who made this comment has substantial business interests of his own—some of which are now closely tied in with the war effort. He has served in important public and private capacities. He has had wide contacts with business and government — especially since the outbreak of war.

Only a few weeks ago he was inclined to feel that the existing organization at the Department of Munitions and Supply was satisfactory; that if given a chance it would "deliver the goods."

Now his view has changed.

Speaking from close personal knowledge of the operations of Canada's war order department, he believes the best results will not be obtained until complete authority to co-ordinate the whole buying programme is placed in the hands of one man — a businessman of proved capacity, divorced from politics.

* * *

Short Wave For Canada

Decision of the Canadian Broadcasting Corporation to go ahead with a short-wave station for Canada is worthy of the highest praise.

Germany, by conquest and occupation, has come into possession of dozens of radio broadcasting stations in Europe. She controls scores of different wave lengths and keeps them busy with her foul distortions of the truth in every language. Britain with two short-wave broadcasting stations—both hazardously located—and with a limited number of channels, has been at a disadvantage. In the meantime Canada, which controlled several air channels of her own, was making no use of them.

The Government has refused to act in the matter despite insistent pressure from the press and other responsible spokesmen for public opinion. Now CBC has taken steps to see that the omission is remedied.

* * *

The new station will be useful in advertising Canada abroad; in promoting tourist traffic from the United States; in broadcasting Canadian addresses and war programmes; in rebroadcasting certain British programmes; and in giving clean Canadian newscasts.

CBC, within the limits of its financial resources, has made a start on the installation of suitable equipment. The Canadian Government, as a war measure, should put up the funds to expand the new station into a full-sized one.

Over the past year newspapers and public-spirited citizens have given very wide support to the view expressed often in these columns regarding the need for a short-wave station on Canadian soil.

It is highly gratifying that the CBC has decided to make a start in the matter. The decision is particularly gratifying to The Financial Post which has been the most consistent campaigner in favor of short wave for Canada.

* * *

Assuring Power For Victory

One of Canada's potent weapons of victory is hydro-electric power.

To conserve existing power supplies and make sure that adequate power is available for future needs is a vitally important wartime job. For this a special power controller has been appointed with far-reaching authority.

Last week Canada's power problems got front-page attention.

Citizens were ordered by the power controller to keep their clocks advanced one hour to "save" daylight during darkening winter months.

Announcement was made from Ottawa and Washington of new discussions looking toward a major power development in the international section of the St. Lawrence River.

* * *

The seaway revival caused the Montreal Gazette to publish a front-page editorial captioned "seaway betrayal." It suggested that Canada had no money for a seaway or for an international power development project. It pooh-poohed the idea that there is any real power shortage in Ontario.

"Ontario can acquire all the power that it needs without going outside the boundaries of the Dominion and can get that power

(Continued on page 2, col. 4)

CBC Builds Short-Wave Station

First Unit to be Ready Early in December — Will Serve Big Part of World

Canada will have short-wave radio in operation before the end of the year.

The Financial Post learns that the first basic unit of a high-powered short-wave station is now being erected by the Canadian Broadcasting Corporation in Quebec Province. The set will be in operation, carrying Canadian programmes, early in December.

The unit, of 7½ kw.h. capacity, will have sufficient power to cover all of the Americas. It can also be used for directing short-wave programmes to other continents. But complete world-wide short-wave radio coverage from Canada will have to wait upon the ultimate expansion of the unit now being installed. The Post understands that, by arrangement with the Radio Corporation of America, the CBC has been able to reserve the additional equipment required to expand Canada's new short-wave facilities on short notice.

The equipment purchased by the CBC is part of a short-wave set ordered for a foreign government, but not taken up by the government, and which was referred to in The Financial Post of Aug. 31. Had Canada not taken up the option granted it by RCA on this equipment, and had the set been sold to some other purchaser, it would have taken months to build a new set.

CBC Paying the Cost

The Canadian Broadcasting Corporation is paying for the installation out of its own budget and will also meet the cost of operation out of its

(Continued on page 2, col. 4)

Give $1 Million To Assist War Research

Firms Make Substantial Contribution to Aid War Effort

Scientific research work to aid Canada's war effort has been greatly extended as result of gifts totalling about $1,050,000 from leading Canadian firms and citizens.

Principal donations include $250,000 from the T. Eaton Co., $250,000 from Samuel Bronfman of Montreal in association with his three brothers; and large amounts from International Nickel Co. of Canada, Canadian Pacific Railway Co. and Consolidated Mining & Smelting Co.

The fund thus created will materially broaden the war research which had already been undertaken by the National Research Council. Custody of the money and supervision over its expenditure have been placed in the hands of the War Technical & Scientific Development Committee, newly created by order-in-council.

Important work has been carried out on the "research front" in Canada since the outbreak of war. Details are withheld as to how the new fund will be spent, but in general it will be used for development of improved war apparatus, advanced aeronautical studies, and extension

(Continued on page 2, col. 2)

Power Project Speeded Up

From Our Own Correspondent

MONTREAL. — Beauharnois Power Corp's. operating unit has stepped up schedule of construction work in connection with utilization of the additional 30,000 c.f.s. of water from the St. Lawrence River made available to the company by the Federal parliament at the last session.

Judged by progress to date the company will have practically all of the effective flow under development by late fall next year.

Eleven Units Installed

At present Beauharnois has installed 11 units of 50,000 h.p. each. Five of these generating units are set up for 60 cycle power and the balance for 25 cycle power. All of the output for the latter is delivered or under reserve for the Hydro-Electric Commission of Ontario. The 60-cycle power is fed into the Montreal Power system or used to provide energy for the industrial plants in the company's territory.

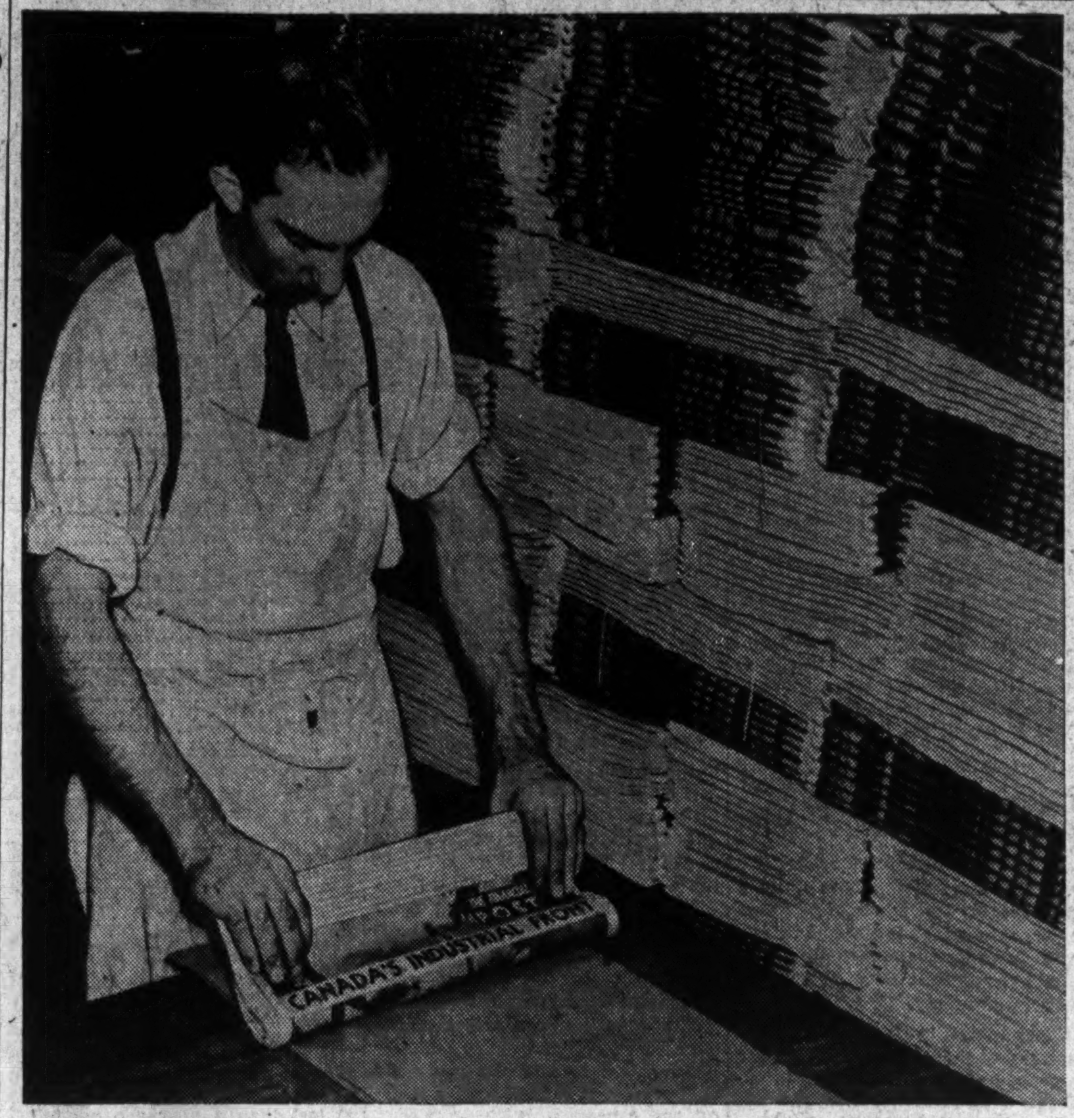
The two units presently being installed are designed for 60 cycle power.

There is no extension to the power house built some time ago. When built provision was made for the installation of four additional units, or 14 in all.

When the two units being installed are in operation the company will have reserve space for one more unit. At the moment no particular plans have been made for the installation of unit No. 14.

Under the rights granted to Beau-

(Continued on page 2, col. 8)



Thousands of extra copies of "Canada's Industrial Front" supplement of last week's Post have gone to important readers here and abroad, as well as reaching regular Post subscribers in some 30 countries.

Industrial Front Issue Sent To King and President

His Majesty the King, Prime Minister Winston Churchill and his cabinet, President Franklin D. Roosevelt, ambassadors, cabinet ministers, business and industrial leaders and newspaper editors in some 30 countries are getting a picture of Canada's war effort from last week's issue of The Financial Post.

"Canada's Industrial Front," 80-page supplement to last week's issue of The Post, has brought home to Canadians the broad scope of industry's mobilization for war. Regular circulation assures that this realization will extend to important readers in the United States, the British Isles, other British Dominions and territories, and many foreign countries.

In addition, copies have been dispatched to several thousand keymen, business firms and groups in Canada and abroad, especially in the United Kingdom and the United States. To meet the increased distribution and demand nearly twice the usual number of copies were run off the presses.

Special copies of the issue, marshalling the achievements of Canada's war industries, have also been dispatched to the U. S. Secretaries of War, the Navy, and State; to Lord Lothian, British Ambassador at Washington; Hon. Loring Christie, Canadian Minister to the U. S.; W. S. Knudsen, chairman of the U. S. National Defense Advisory Commission; and Lieut-Gen. A. G. L. McNaughton, senior commanding officer of Canadian forces in England.

In Canada, extra copies were sent to the Governor-General the Earl of Athlone; Sir Gerald Campbell, British High Commissioner; all members of the Canadian Government; keymen in war supply departments and other war bodies. Though most of them are already regular subscribers, all members of both Houses of the Canadian Parliament had special copies of the issue delivered to them. All members of the Joint U. S.-Canada Defense Board received copies.

Regular circulation was also expanded to ensure that Canadian daily and weekly newspaper editors could study this complete picture. Holding a key place of influence in their communities, able to do so much in strengthening national confidence, it was felt important that these men should see "Canada's Industrial Front," which for the first time brought together virtually complete facts about Canada's war effort.

To spread as widely as possible the dramatic picture of Canada's war

(Continued on page 2, col. 4)

War Restricts Asbestos Sales

From Our Own Correspondent

MONTREAL. — Sales of Asbestos Corp. in the first six months of the year were satisfactory, but radical change in the foreign market renders forecast of business for the remainder of the year decidedly uncertain.

While exports were proceeding on a higher level in the first six months of the year, elimination of Europe has brought about an entirely different situation to the industry. Only about 2% of the company's volume is domestic. England remains a good customer for raw asbestos, while armament developments in the United States might materially increase imports of the commodity.

Japan Uncertain

The potential U. S. demand could do much to offset loss of European markets and curtailment of operations that now confront the company.

Japan still imports considerable quantities of asbestos.

Use of asbestos is principally of a peacetime nature, but extends to some extent to equipment used in war.

Exports Licensed

There are three principal sources for raw asbestos; Canada, a block formed by South Africa and Rhodesia, and Russia. The last mentioned source is not a competitive one, as development is reported to have lag-

(Continued on page 2, col. 8)

Must Justify Big Outlays To Taxmen

But Income Tax Department Will Treat Each Case on its Merits Post is Informed

Following its general practice the income tax department will issue no general rulings or schedules regarding expenditures which it will or will not allow as deductions from taxable income, The Financial Post learns in authoritative quarters.

This makes it quite clear that there will be no specific regulations which, for instance, would limit salary increases or bonuses, increases in advertising allotment and in similar expenditures.

Authorities, however, will, under legislation passed at the last session of Parliament watch such increases very carefully. To ensure that the Government gets all the revenue to which it is entitled and that firms do not escape income or excess profits tax, income tax inspectors across the country have been directed to scrutinize carefully all increased expenditures for individual firms over those of 1939 and previous years, and unless the necessity for the increase is abundantly apparent, the expense will be disallowed under the provisions of the law.

If reasons for the additional expenditure are made apparent to the income tax officers and accepted by them, then the additional will be allowed and will not be assessed for tax purposes.

Increased bonuses will be watched with especial care for the reason that they come at the end of the year when the firm's profit situation is known.

The Government view, it is understood, is that regarding any item of annual expense, unless it is economically sound for the company to make such an expenditure, it is inherently wrong that the expense be incurred, both from the point of economy for the company and of the national exchequer.

Ontario Playing Possum on Tax

There is little prospect of official word from the Ontario Government now as to the basis upon which income tax collections for 1940-41 will be calculated. The Financial Post learns in authoritative quarters.

If Ontario were to retain the old exemptions and continue to charge one half the new federal rates, income tax levies for most taxpayers would rise as much as three to four times the amounts paid into provincial coffers last spring.

Ontario's budget position is considered very satisfactory. In his budget address Premier Hepburn forecast a surplus. It is expected that this will be realized. But in view of war uncertainty Ontario is playing possum on income tax.

Extra Power Now Seaway Deal Aim

Immediate Increase in Water Flow For Niagara Power Plants Held Out as Probability by Revived Negotiations With Uncle Sam

Extra power resources right away to ease threat of scarcity for Ontario war industries, is Canada's chief immediate interest in the revived St. Lawrence seaway parleys.

This would come from increased water flow for Ontario Hydro power plants at Niagara Falls, apparently a main objective of present negotiations. The seaway project itself could not make new power available for three to five years.

Settled In Advance

A possible procedure would be an early advance deal on the Niagara diversion matter involving a supplementary agreement for a seaway treaty later. Such a plan, it is suggested in some quarters, would permit disposal of the Niagara diversion by executive action of the two Governments, without consulting their legislative bodies. This could be done, it is argued, under the emergency war powers of the Canadian Government and the powers extended to the President to carry out the U.S. and U.S.-Canada defense plans.

However, it is probable that a parallel agreement on the seaway or a treaty to be implemented later would require legislative approval, even if it dealt only with seaway power development.

The pigeonholed pact was to have covered both power and navigation aspects of the seaway as well as allied proposals such as the Niagara diversion. In reviving the treaty discussions recently, the President put the whole emphasis on the power aspect of the seaway, leaving the navigation question to be settled later.

Basic Objective

The basic objective of the fresh negotiations, as so far outlined, is to assure adequate power for war industries — immediately in Canada and over the long term for the U.S. Accepted axiom seems to be that the quickest way to ease Canadian war needs, and pave the way for future seaway power for the U.S. defense programme, is to make a deal on the Niagara water question.

In the past two years, this and other auxiliary proposals were dangled as plums by U.S. authorities, to induce the Canadian and Ontario governments to enter into the main seaway scheme. These once-secondary phases of the general seaway picture now rank as the major concern of Canada in the revived seaway talks, if not the chief immediate objective of the international parleys.

Details Lacking

Just how much additional power the present proposals will make available is difficult to estimate. No details have been made public as to how much extra water flow Ontario is to be permitted to divert at Niagara.

Should the new deal embody concessions the U.S. has been ready to make in the past, the additional power supply that could be generated immediately at Niagara would range from 50,000 to over 100,000 h.p. However, if the main proposal of the several involved were not implemented, the net extra yield at the outset might not run over 15,000 h.p.

These estimates are based on the additional deliveries of energy that could be made without delay, and without adding to the plants or equipment at Niagara Falls. But with a new power canal and new plant at Queenston energy could be increased to 200,000 or perhaps 300,000 h.p.

If 50-100,000 h.p. were made available immediately, it would substantially ease the growing pressure on

(Continued on page 2, col. 3)

Find Wrong Guess Made On Selling War Loan

From Our Own Correspondent

OTTAWA.—When Canada's Third War Loan is offered, probably six months or so hence, there is certain to be a change in selling arrangements.

Ottawa seems pretty well convinced that next time it must plan a nation-wide community organization similar to that used in the previous war.

Officials here will not term the promotion of the second loan a failure, but privately they concede a narrow squeak which necessitated calling up additional heavy sales artillery in the last few days of the drive. If the next loan is to be of the same substantial proportions, then it is admitted frankly and freely, that a new approach will have to be adopted.

Difference of opinion in interested circles as to how the sales should be handled is blamed. It was generally admitted that a powerful campaign would likely be needed for the third war loan but the view of those who prevailed in the argument was that an easy campaign handled through the ordinary investment channels would be sufficient this time and that stronger measures would be reserved for next time.

The loan closed with subscriptions totalling $342.2 millions. These did not include an additional $25.6 millions subscribed for conversion purposes on the 4½% issue which matured Sept. 1. Total subscriptions accepted were $325.6 millions. The oversubscription will result in institutional buyers having their allotment cut down—probably to about 75% of the subscription, compared with 40% in the January issue.

Canvass Overlaps

Complaints are heard of many subagents canvassing the same buyer. This not only annoys the prospective purchaser, but results in much wasted time and effort.

A discount price is claimed to be confusing to small investors. Instead of offering at a discount of 98.75 to yield 3⅛%, it is suggested the price should be par with coupon rate of say 3⅛%. The time taken and confusion caused a salesman in explaining the mechanics of discounts and yields to a buyer who normally does not buy bonds can be prevented quite easily.

It is felt, also, terms of the next loan could better be announced at least a week before subscription books are opened. Bond companies had only 1½ days to canvass clients for the second loan. This is not only impossible, but provides no opportunity to go after new accounts—the many thousands of small invest-

(Continued on page 14, col. 7)

The War And Business . . A Weekly Round-up

Course of the War

Those pontifical gentlemen, so often referred to in newspapers and radio broadcasts as "neutral military observers," disagree as to the significance of recent military events abroad. Some think Hitler has been definitely stymied in his effort to invade England; others think he will still make the attempt. But all are agreed that if he does make the attempt his chances are less than they were assessed at before the R.A.F. showed its technical skill in the air, and before the British people showed their indomitable morale on the ground.

The Whaley-Eaton letter of Washington gives it as informed Washington opinion that "something has gone wrong" with Hitler's plans. It expects the Axis to turn to the Mediterranean as an offset to his failure to pull off the invasion coup in British waters. There is general agreement that failure to invade England will merely see the war intensified on other fronts.

The same "neutral military observers" do not know, but they think, that British bombing of German airplane factories, steel plants and oil reserves has done more decisive damage than the public can possibly realize.

* * *

Loans from U.S.A.

Possible loans for Canada from the funds of the Export-Import Bank were discussed at some length in The Financial Post some weeks ago. United States papers the now paying considerable attention to the subject.

Congress has given the bank $500 millions to loan for the purpose of promoting United States trade. The money is to be used to aid western hemisphere countries bolster their defenses and to buttress this hemisphere against a possible trade challenge by Hitler.

Although Canada is barred by the Neutrality Act from issuing bonds in the United States, she can borrow from the Export-Import Bank. Congress specifically exempted that government-owned bank from operations of the neutrality laws.

There is no official indication, either at Ottawa or Washington, that a Canadian loan is in immediate prospect. But that is a matter that would in any event be carried out in complete preliminary secrecy.

* * *

American Opinion

The mounting tide of pro-British opinion in the United States has produced a favorable psychology in that country that astonishes Canadians making a visit to that country for the first time in several weeks.

The polls of Dr. George Gallup's American Institute of Public Opinion reveal the trend clearly.

Since May last Dr. Gallup's pollsters have been asking American people this question:

"Which of these two things do you think is the more important for the United States to try to do—to keep out of the war ourselves, or to help England win, even at the risk of getting into the war?"

Here is the trend of the answers since May last:

	More Important —to Stay Out	—to Help England
May, 1940	64%	36%
June	64	36
July	61	39
August	53	47
September	48	52

* * *

Business Boom

American business indices are beginning to bound upward as defense buying gets into full swing. A new peak in industrial production for that country is expected to be attained in 1941.

An example is the steel industry. Normally regarded as vastly overexpanded, the industry is approaching 100 per cent of capacity operations. Experts are already discussing what is to be done about the bottleneck in steel that is looming up for spring.

American spending on defense is, like most of the spending on New Deal projects, deficit spending. That is to say, the Government is going into debt to "pay" the bills.

It is estimated that in the current fiscal year the Federal Government will spend $12 billions and have a tax income of $7 billions. Deficit will be $5 billions. The revenues and expenditures will represent a new record; the deficit will not.

* * *

"Beaver" for Tories?

Over in Britain there is time between bombings for discussion of political leadership. Mr. Churchill is leader of the Government, but regards himself and his Government as non-party. Mr. Chamberlain is still head of the Conservative party, and especially of 182 loyal followers who voted for him to continue in office as P. M.

The situation creates a first-class political dilemma. Mr. Chamberlain must know that his presence in the cabinet is not welcomed by the people as a whole. Yet the Conservative party has a duty to the people of England, the duty of surviving. How long would it survive if the party leaders were not even in the cabinet?

Efforts are being made to find another, more dynamic leader for the Conservative party, a war leader who can remain in the cabinet. News-Review says that Lord Beaverbrook's chances are being surveyed. It does not say who was "polled," but it reports that results were 50-50.

* * *

Our War Leaders

Private reports from all over the country make it clear that the near-failure of the war loan aroused a great deal of serious speculation as to the strength of Canada's war leaders with the people. There are many reports of discontent with the "uninspired" leadership of the Government; complaints that the war is being fought as the private property of one party; that Mr. King is still unwilling to pull out all the stops. The complaints are too numerous to be discussed as political only.

Even in Liberal party circles there is discussion of ways and means of harnessing the united national spirit of the people. That the country is firmly united behind the war is not challenged by anyone. That it is united behind its particular war leaders is another question.

Obvious conclusion that many people reach — and express — is that Canada needs a non-party or union government. But those who distrust union governments, and think they are not necessary, say that what is missing is inspirational or emotional leadership. It is agreed that it is not Mr. King's nature to be a dynamic Churchill type of war-leader. One prominent Liberal suggested that the answer was to be found in a citizens' patriotic league to marshal the spiritual and emotional resources of the nation.

Even those who give the Cabinet high marks for its financial policies, for its recent large-scale mobilization of Canadian industry for war supply, and for other phases of the war effort, feel that the popular leadership angle is being seriously overlooked. What the war effort lacks is a focus, they assert.

Other current criticism of the Government relates chiefly to lack of co-ordination between different Government departments; too much work piled on certain men (Gardiner and Howe, for example); failure adequately to curtail normal peacetime functions of Government in order to save tax moneys for use in the war.

* * *

Hunt to Speak

Speaker on the October 6 "Let's Face the Facts" broadcast will be Lawrence Hunt.

Hunt is a young New York lawyer whose "Pontius Pilate still lives" letter to the New York Times last January made him an international figure overnight.

He has been a leader of the group of young Americans who feel that the United States should be even more positive and specific in lining up with Britain, now fighting the American battle.

Sir Norman Angell Writes For Canadians

Sir Norman Angell, famed author of "The Great Illusion." Nobel prizewinner, author and lecturer, has written a new series of articles for The Financial Post.

The Post's editors said to Sir Norman: "Tell us in simple, lucid language exactly what this war is all about. How has it come so quickly on the heels of the disastrous struggle of 1914-1918? How does it happen that a man like Hitler could rise to such power that he could destroy the peace of the world? Are we responsible for Hitler and Hitlerism? Were we unfair to Germany? Or were we too soft with Germany?"

We said to this distinguished authority on international affairs: "Tell The Post's readers how German propaganda operates. Show us how Dr. Goebbels has worked, and still works, on our minds, without our realizing it. Show us the effect of German propaganda in the United States and elsewhere."

Sir Norman has taken up the challenge and has written for The Financial Post an arresting group of five articles. The first one will appear next week, Oct. 5. It is entitled "Hitler's Secret Weapon."

In it Sir Norman shows the force of propaganda as used by Hitler; how it brought him to power; how it left Belgium and Holland defenseless; how it took France out of the war; how it is trying to hold back American aid for Britain.

And Sir Norman shows how Hitler's Secret Weapon failed in Canada.

This is the second time Sir Norman Angell has written for The Financial Post. His series of articles "Your Money" which appeared in 1936 was later reprinted in pamphlet form, and requests were received for more than 40,000 copies.

Make Sure You See—

What Pulp and Paper Contributes in Wartime
Pulp and Paper Plays Big Role—p. 15.
Way Unemployment Insurance Works
How Jobless Plan Will Be Run—p. 14.
Maids and Chauffeurs—A New Tax "Problem"
Are You Collecting Tax?—p. 10.
Sirois Report Tackles B. C. Problems
B.C. Natural Resources—p. 8.
This Engineer Would Mine "Oceans" of Oil
"Mining" For Oil—p. 28.

EATON'S introduces A Hand Finished Suit at $45

A new concept of clothes quality has taken tangible form at EATON'S in this suit . . . ready for you to wear . . . distinguished by the hand-needled finish which you associate subconsciously only with clothes in the upper price brackets. The EATON price of forty-five dollars on a two-trouser suit of this type should, we think, meet with wide acceptance.

MAIN STORE—SECOND FLOOR

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TORONTO CANADA

War Contracts Depreciation Board Gets Under Way

From Our Own Correspondent

OTTAWA.—With a budget of 50 claims for special depreciation certificates on war contracts awaiting consideration, the War Contracts Depreciation Board has begun its work.

The three-man board, consisting of Mr. Justice C. P. McTague, F. H. Black, and R. F. Burns, has an office in the Munitions and Supply building, where it has undertaken to give consideration to all depreciation claims on war contracts, on the lines of its authority set out in the order-in-council creating it. Applications are reaching the Board through the Munitions and Supply Department and through the Income Tax branch.

A spokesman for the Board indicated that war contractors should not defer entering their claims for special depreciation, each of which will be judged on its merits. Such contractors will, presumably, need to know where they stand for income tax purposes next March.

There is no set formula for determining special depreciation on a war contract, though, in general, the write-off period will probably be three years. There are some cases where a write-off period of six months may be required, and others where a considerably longer period than three years is fair and just.

Upon submission of claims for depreciation, the Board proposes to set dates for hearings at its office, and such hearings will be held informally. The question of the Board travelling has not been decided, but an accumulation of claims at some distant city may require the Board to hold hearings elsewhere than in Ottawa.

Air Deal Gives Canada Edge

From Our Own Correspondent

OTTAWA. — Trans-Canada Air Lines this week got its long sought exclusive right to operate between Toronto and New York, through a compromise U. S.-Canada deal on air services all along the international border. Arrangements with the U. S. civil air authorities, announced by Hon. C. D. Howe, assures T.C.A. the necessary U. S. permit to fly over this route.

In the saw-off, operating right for a new Toronto-Buffalo service was conceded to a U. S. operator, reportedly American Airlines. Permit on this route had also been sought by T.C.A.

Faster Flights to Coast

Access to New York gives T.C.A. a decided edge over U. S. air lines in regard to transcontinental flights. Operating through Toronto, T.C.A. will be able to fly passengers from New York to Vancouver and Seattle from three to four hours faster than routes across the United States. This will be even more important in future in movement of traffic from this continent to the Orient, and across this continent between Europe and Asia.

This week's two-way deal allows T.C.A. to extend its Toronto-Windsor run into Detroit, and a U. S. air line to operate into Windsor. This assures connections with Chicago. Canada will permit a U. S. operator to extend the service between Boston and Bangor, Maine, to a point in New Brunswick. The way is left clear for proposed extension in future of U. S. air services from Great Falls, Montana, to Lethbridge, Alta.

Aid to Alaska Service

Canadian authorities have agreed to provide air navigation aids along the B. C. coast for the twice-a-week service now operated between Seattle and Juneau, Alaska provided by Pan-American Airways in collaboration with United Air Lines.

Office Space Available
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$1 Million Given To Aid Research

(Continued from page 1)

of medical and physiological research on men in battle forces.

It will also permit better application of physics, chemistry and engineering. The fund loosens the curb on such work imposed by limitations of public funds, facilitates transfer to Canada of work that might be difficult to carry on in England. Stationed in Canada for duration of the war as liaison officer for the British Department of Scientific & Industrial Research is Dr. R. H. Fowler, professor of physics at Cambridge University.

Members of the new committee in charge of the fund are as follows:

Representing the Research Council

Dean C. J. Mackenzie.
Sir Frederick G. Banting.
Professor Otto Maas.

Government Representatives

Col. A. A. Magee, Dept. of National Defense.
J. S. Duncan, Deputy Minister of National Defense for Air.
R. A. C. Henry, Department of Munitions and Supply.
Maj.-Gen. L. R. LaFleche, Dept. of National War Services.
Georges Bouchard, Dept. of Agriculture.
H. L. Keenleyside, Dept. of External Affairs.

Extra Power Now Seaway Deal Aim

(Continued from page 1)

present resources of the Ontario Hydro-Electric Power Commission, especially at Niagara, and carry it through the winter without difficulty. The smaller immediate prospect for only 15,000 h.p. would be of considerably less advantage.

At present it is possible the Hydro will be able to meet the winter peak load without difficulty from existing resources, though it may have to divert interruptible deliveries to some extent to meet regular demand.

Cut Demand 189,000 Hp.

Action of the Dominion Power Controller, H. J. Symington, in requiring all centres on daylight saving to remain on fast time indefinitely, will delay by an hour each day the overlapping of domestic-commercial demand with industrial power loads.

Applying especially to Ontario and Quebec, the order is expected to reduce power demand by the equivalent of 189,000 h.p., split about equally between the two provinces.

Situation at Niagara

The Ontario Hydro Commission has three power plants in the Niagara area. The Queenston plant, drawing its water flow from above the Chippawa power canal, has a rated peak capacity of 500,000 h.p. The others, located close to the falls, are known as the Ontario Power and Toronto Power plants, with peak capacities of 175,000 and 145,000 h.p. respectively. This makes a total for the three plants of 820,000 h.p.

The total flow the three plants are permitted to draw from the international waters at the Falls is 26,000 cu. ft. per second. This excludes the 10,000 c.f.s. drawn off by the Canadian Niagara Power Co., which generates power for export to its parent U. S. company in New York State.

Of the total flow about 14,300 c.f.s. goes on the average to the Queenston plant, about 8,500 c.f.s. to the Ontario Power unit and 3,200 c.f.s. to the Toronto power plant.

No matter how much extra flow was permitted at Niagara, the Queenston plant could not utilize any of it because the present power canal could not handle greater volume. However, if an additional extra flow was assured on a permanent basis a new power canal and new Queenston plant could be built to develop anywhere from 150,000 to 300,000 h.p.

The Ontario Power and Toronto Power plants, on the other hand, could both utilize additional water and increase their ouput, without being enlarged or adding equipment. Between them they are capable of handling all of the 26,000 c.f.s. now allotted to all three plants. Because of the limited flows now available to them, they can only operate at peak capacity for limited periods each day. The Toronto Power plant operates at particularly low efficiency, maintaining a peak for not more than 20 minutes a day.

Two Main Sources

The potential main sources of additional flow are water to be diverted into the Great Lakes system by the Ogoki and Long Lac projects in northwestern Ontario, and the long proposed scheme for scenic improvement, remedial works and greater power flow diversion at Niagara Falls. Under the unratified agreement reached in 1929 on the latter project, usually referred to as the Niagara control plan, the plants on the Canadian side were to get an extra 10,000 c.f.s. When the matter was associated with the seaway proposals of two years ago, no specific extra flow was cited but it was expected that at least 5,000 c.f.s. would be obtained.

From the Long Lac diversion into Lake Superior, an additional 1,100 c.f.s. would be made available at Niagara Falls and from the similar Ogoki project about 4,000 c.f.s. The Ogoki-Kenogami River plan would take up to two years to complete but the Long Lac works are complete and ready to turn the additional flow toward Niagara at any time.

The various proposals in regard to the Niagara control plan involved the sharing between Ontario and U. S. power plants of additional flow to be taken from border waters for power purposes. In regard to the extra flow from Ogoki and Long Lac, however, the U. S. has been prepared to concede the exclusive right of Canada — in other words, Ontario Hydro — to these waters put into the Great Lakes system.

As far as immediate increase in power supply is concerned, the extra flows from Long Lac and the Niagara control plan are those that could be made promptly available.

Boost Capacity—Not Peak

Recognition of full right to the Long Lac flow (1,100 c.f.s.) would permit energy output of the Toronto Power plant to be increased immediately by the equivalent of 7,500 h.p. on a continuous basis and up to 15,000 h.p. part time. This does not mean that the peak capacity of this plant would be raised, but that it would be able to spread delivery of power over longer periods each day. The limited Long Lac flow would not permit any increase in the Ontario Power plant resources.

The future flow from Ogoki, if similarly allotted entirely to Canada, could be combined with the Long Lac water to increase the joint output of the Toronto Power and Ontario Power plants by the equal of about 50,000 h.p.

From the Niagara control plan the two plants between them could increase their output by approximately 100,000 h.p., with the added flow of 10,000 c.f.s. proposed in 1929, or about 50,000 h.p. with the 5,000 c.f.s. suggested in more recent years. If conceded in the present negotiations, this added flow could be drawn off immediately and the power output increased without any new equipment.

An interesting feature is that addition of the Long Lac to the Niagara control flow would not yield more than a few thousand horsepower of increased output, because of the diminishing returns from flows above a certain level. In other words, the Long Lac flow by itself is proportionately more valuable per c.f.s. than the Niagara control water. But neither by itself nor in conjunction with the latter flow would it be as important from a power standpoint.

The Nation's Busines

(Continued from page 1)

cheaper than through any international development in boundary waters.

"The power shortage plea therefore is about as thoroughly dishonest as any set of scheming politicians could possibly put forward."

* * *

Because of the vast importance of power in contributing to Canada's war effort and because a showdown on power development seems imminent, a few facts should be put on the record.

(1) The most important power demand so far in this war has developed in southern Ontario and industrial Quebec.

(2) Power resources in these areas seem adequate to meet the needs of the coming winter. This is especially true if reasonable steps toward conservation (continuation of daylight saving, for example) are taken.

(3) In Quebec there seems to be adequate power development in prospect (chiefly at Beauharnois) to meet wartime needs. But, as pointed out in last week's Post, enquiries now pending in that area for more than 250,000 h.p. of power are expected to absorb virtually all new power now under development.

(4) In Ontario, primary power demand is running so close to the theoretical peak that provision for new and additional power supplies is essential. This is especially true because major power undertakings take as a rule from two to five years for completion.

* * *

Quebec and Ontario Power Views

In light of these facts, where can we obtain more power as quickly and cheaply as possible? Private power interests in Quebec and those who speak for them, directly or indirectly, say this: Develop national sources of supply.

They point to further potential power (estimated at 1.5 million horsepower) in the Quebec (Soulanges) section of the St. Lawrence River. They cite 400,000 h.p. at Carillon, 50 miles northwest of Montreal and available within two years. They cite 500,000 h.p. (yet undeveloped) on the upper reaches of the Ottawa River at various sites.

It should be noted that these "national" sources are wholly or partially in Quebec Province.

* * *

On the other hand, the Ontario Hydro-Electric Power Commission (the organization most immediately concerned about this question) says something like this:

(1) In addition to the 1.5 million h.p. generated in our own stations we now purchase 620,000 h.p. from private producers, largely in Quebec province. We must now plan for immediate and postwar needs by major extensions to our power capacity. Preferably this should be by power generated at our own stations rather than by additional purchases from private producers.

(2) If we can be assured of getting approximately 1.1 million h.p. on the St. Lawrence in the near future, we are prepared to finance this long-term programme on any reasonable cost basis. But we must know the answer, definitely, because this will affect all our plans for immediate development.

(3) We will press for additional power rights at Niagara and for diversion of additional water into the Great Lakes basin from Ogoki and Long Lac in order to meet immediate needs. (International agreement is required for both these authorities.)

(4) If no one of these alternatives is forthcoming, we must look elsewhere for more power (possibly to the Ottawa River).

* * *

When President Roosevelt sidetracked new proposals for the St. Lawrence power and seaway pact last spring it was thought by many that Ontario Hydro would proceed with other developments of its own.

Now it becomes clear that Hydro has not abandoned the St. Lawrence plan but that it hopes to see it discussed, not as a seaway project, but as a straight power development between the two adjoining jurisdictions—Ontario and New York State.

It also hopes that, as an inducement to settlement of power issues in the international section of the St. Lawrence, the United States will also agree to settle a long-standing controversy which has been pigeonholed by the U.S. Senate for 11 years—namely provision for greater water diversion for power purposes at the Niagara Falls.

* * *

More Facts Needed In National Interest

There can be no final decision as to what is "best" in the national interest until more facts are known.

Canadian taxpayers will want to know what potential obligations will be involved in any agreement which would develop power on the St. Lawrence and leave the seaway in abeyance. They would rightly object to any plan which gave power consumers in that area a "break" at the ultimate expense of those who pay taxes for free canals.

More information should be forthcoming also as to the respective cost and merits of power development at various points such as Carillon, the Ottawa River, Soulanges, Niagara or the St. Lawrence. Essentially these are engineering and accounting problems; problems which concern the competent engineers and officials of Ontario Hydro.

But when power supply becomes a matter of national policy and war urgency (as is now the case) the answers are of much broader interest and concern.

From Prime Minister King as chief Canadian spokesman for the new St. Lawrence deal, and Power Controller H. J. Symington, should come early clarification as to Canada's power needs and the cheapest, most effective ways of meeting them.

* * *

War Industry Needs Essential Workers

Last week Hon. James Gardiner, Minister of National War Services, made a public appeal to industry to take on additional men to fill the places of those called up for compulsory training.

He estimated that one out of every eight called up for training would want to stay in uniform and would join the C.A.S.F. This would mean at least 30,000 permanent recruits to the army in the next eight months.

Mr. Gardiner would have got a better response from industry had he prefaced his statement by a frank admission that the original plan to allow no exemptions—not even in key industries—was a blunder.

It is not too late to recognize that the most essential contribution this country can make to the war effort is to keep a steady flow of planes, shells, tanks, explosives, and other supplies flowing across to Britain or wherever they are most needed.

To put a superficial, 30-day training programme ahead of that need is to run the risk of sabotaging the most vital part of the nation's war programme.

Copy Sent to King Of Big Post Issue

(Continued from page 1)

supply resources, extra copies were sent to editors of all financial publications, and to chief editors, financial editors and military writers on leading newspapers and magazines in the United States and the United Kingdom.

Special copies were placed in the hands of the U. S. editors and publishers who toured Canada this week to survey our war effort, and have been sent to editors of U. S. business papers who will meet in Ottawa, Oct. 3 and 4.

Copies were also dispatched to several hundred leading figures in the financial, industrial and business circles in both the United States and the British Isles.

CBC to Operate Short-Wave Unit

(Continued from page 1)

own funds. When it was first proposed that Canada should enter the field of short-wave broadcasting, it was expected that the cost would be paid by the Dominion Government. But Ottawa has apparently decided not to meet any share of the cost. The CBC, recognizing the vital importance of short-wave broadcasting in a world where a war of ideas is being fought, has gone ahead on its own.

It is likely that, at first, the station will concentrate largely on carrying Canadian programmes to the more distant audiences that can be reached by short wave. Thus speeches of Canadian public men, Canadian music, Canadian war programmes and newscasts will be made available to listeners in the southern United States, the British West Indies and the South American countries, where they are not now heard.

In addition, British programmes, rebroadcast by Canada, such as Radio Newsreel, the Priestley talks, etc., will be carried on the Canadian short wave, thus improving and extending the coverage they already get by short-wave from Britain.

Beam Programmes to Britain

The station will also be useful and save large sums of money, it is understood, in carrying Canadian programmes to Britain for re-transmission there. The "Let's Face the Facts" series, for instance, is carried by BBC which has to pick it up through the expensive beam system in New York. With its own short-wave station, the CBC will be able to beam such programmes to Britain at a substantial saving.

It is expected that some programmes will be transmitted in Spanish but no plans to this end have yet been made.

Once this initial unit is in full operation and has proved its worth or otherwise, consideration will, it is expected, be given to expanding its power and the range of its coverage so that Canada will be in a position to carry on short-wave broadcasting simultaneously to all continents. Canada controls seven exclusive wave bands which up to now it has not used at all.

Opposition Slows Deal on Seaway

From Our Own Correspondent

OTTAWA—Opposition to the St. Lawrence seaway power project chiefly in Quebec, has delayed the Government's plans for a deal with the United States on this and allied questions.

Last week Prime Minister King virtually promised an early announcement on the St. Lawrence project. Later Premier Adelard Godbout of Quebec conferred with Mr. King, but the week passed without further official word. Premier Godbout is understood to be in further consultation with the Government, indicating that the project has not found clear sailing.

However, early action may be taken to give Ontario a greater water flow for power plants at Niagara Falls, a question closely allied with the seaway proposals.

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Greening Wire Earnings Good

Expected to Report Higher Net in Spite of Increased Taxes

B. Greening Wire Co. is expected to report substantially better earnings for the year which ended June 30 last than a year ago when net was equivalent to 71 cents a share on the common. It is understood that delay in issuing the report has been due to new taxation which has complicated calculation of actual net profits.

Net earnings, before taxes, were approximately double those of a year ago, The Financial Post learns, but the final figure is not likely to show this rate of increase.

Business is continuing on a good scale and the outlook apparently is favorable. Considerable new equipment has been installed. While Greening Wire does not make much war equipment directly, it has received heavy orders from other companies which are actively making equipment for the Government.

Financial Position

Financial position is likely to show further strengthening in the coming balance sheet. A year ago the company had cash alone approximately double total current liabilities.

Exports are said to make up approximately 20% of the company's production, going chiefly to Empire countries and the United States. It is understood that this section of the business has held up with the domestic volume since the war.

B. Greening Wire makes wire, cables and ropes, wire screens of many kinds, perforated metal products and other products, many of which are protected by valuable patents.

Stock Exchanges Lengthen Hour

Closing Hour Changed to 4 p.m. to Coincide With New York

Beginning Sept. 30, 1940, the Toronto and Montreal Stock Exchanges will extend their hours of trading from 10 a.m. to 4 p.m., Eastern Daylight Saving Time. This means an additional hour of trading over the previous schedule which has been in force for years and placed the closing hour at 3 p.m. On Saturdays trading will be from 10 a.m. to 1 p.m.

Extension of daylight saving time in Canada by Dominion Government order, on the recommendation of the power controller, has made the change in trading hours on the exchanges necessary. With New York going back to standard time and the Canadian exchanges staying on daylight time, Toronto and Montreal would have been closing an hour ahead of New York. Because of the volume of trading between the Canadian exchanges and New York, even in wartime, and the fact that so many Canadian stocks are listed in New York, it was considered necessary to make the closing hours coincide. New York will be opening at 11 a.m. E.D.S.T.

There has recently been some discussion of extending the trading hours on the New York Exchange, but nothing has been done about it. In this case, the motive was a desire to obtain added business which might otherwise go to exchanges in the western part of the United States which would be open after New York had closed.

Regent Knitting Mills Increases Dividend

From Our Own Correspondent

MONTREAL. — Regent Knitting Mills has declared a dividend of 80 cents a share on the non-cumulative preferred stock, payable Nov. 1 to shareholders of record Oct. 15.

This declaration would indicate substantially better earnings than a year ago, as in June the company paid only 40 cents a share and previously had not made any payment since Dec., 1938.

Three Generations OF BUSINESS BORROWERS

"Son, when your grandfather started this business sixty years ago, his first bank loan was for $300 from the Bank of Montreal. We've looked to them ever since, and our credit line now is in five figures."

BANK OF MONTREAL
ESTABLISHED 1817
"A bank where small accounts are welcome"

Abitibi Sale Bid is Set

Master Holds Hearing But Reserve Bid Kept Secret—Earnings Lower

Abitibi bondholders' protective committee is still engaged in tabulating and analyzing bond deposits.

Deposits are still coming in, accepted provisionally subject to review by the committee itself. Up to date, it is understood that the committee has between 85 and 90% of all outstanding bonds pledged in support of its sale plan. Spokesmen for the committee assert that a few bonds may still be received but considerable gratification is expressed at the high proportion of bonds deposited.

Assuming that the committee has 85% of outstanding bonds actually on deposit this would mean that only $7.2 millions out of the outstanding $48.3 millions had not pledged support of the sale plan. A 90% deposit would leave $4.8 millions.

Non-depositing bonds would be paid their proportionate share of the sale price if the bondholders' plan to purchase the Abitibi assets is successful. The large proportion of bonds actually deposited reduces the cash requirements to pay off non-depositors to comparatively small figures, depending on the eventual sale price.

Representations as to the amount of the reserve bid that should be set when the assets and undertaking of Abitibi Power & Paper Co. are put up for sale on Oct. 16 were heard before F. H. Barlow, K.C., Master of the Ontario Supreme Court, on Sept. 20. The actual reserve bid set will not be made public.

Strachan Johnston, K.C., representing the trustee, had no suggestions to make regarding the amount of the bid.

N. T. Berry for the liquidator discussed the general principles which might guide the Master in setting the reserve bid.

Earning Power Basis

Of perhaps more importance he felt was the earning power basis. Using a basis of 12½ times current earnings, he obtained a figure of $82.9 millions to which he added working capital and Provincial Paper shares, arriving at an ultimate valuation of $101.9 millions.

Glyn Osler, K.C., appeared for the bondholders' protective committee, but had no figure to suggest as possible reserve bid. He did mention that anything less than the amount owing on the bonds probably need not be considered. He held that comparisons with the valuations given to Abitibi properties in the original prospectus must be considered in the light of subsequent events.

Dependence on earnings over a short period, he maintained, was unsafe and Coverdale & Colpitts in making their estimates had assumed certain sustaining factors.

Net Down in August

Abitibi has reported earnings for August this year of $802,325, up 272.5% from August, 1939, but $140,000 below July of this year.

Shipments of newsprint in August are down 16.2% from July and earnings down 14.7%. The change in shipments of bleached sulphite are smaller, amounting to a decline of slightly over 4%. August earnings include $129,361 received as premium on U. S. exchange.

A further reduction in operations for September is forecast by G. T. Clarkson, receiver and manager. Shipments of newsprint are estimated at 36,000 tons in September, compared with 38,655 tons in August and 32,694 tons in Sept., 1939. Bleached sulphite shipments, which amounted to 7,133 tons in August, are estimated at 6,000 tons in September compared with 4,987 tons in Sept., 1939. Shipments of bleached sulphite for the first eight months of 1940 have totalled 50,552, approximately double those for the same period of 1939, and comparing with total shipments for all of 1939 amounting to 45,819 tons.

Monthly Earnings
(Before depreciation and interest)

	1940 $	1939 $	Incr. %
January	447,776	162,297	175.90
February	389,594	125,556	210.30
March	383,152	150,400	154.76
April	525,116	175,446	199.30
May	817,457	237,830	243.71
June	885,862	199,330	344.42
July	941,390	191,633	391.25
August	802,325	215,389	272.50
8 mos	5,192,672	1,457,881	256.18

Bond Tenders

Sept. 30, Dominion of Canada Treasury Bills—$35,000,000, dated Oct. 1, maturing Dec. 31, 1940.

Foreign Exchange

During the week Sept. 17 to Sept. 23 there was no change in the quotation to the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Sept. 23

Australia	3.38	N. Zealand	3.61
India	.3369	S. Africa	4.47
Japan	.2605	Hong Kong	.2551

See Little Relief On Aluminum

Subsequent to the Government order restricting the use of Canadian sheet aluminum in the manufacture of kitchen utensils, and some other lines, consideration has been given to the possibility of having the duty of 27½% removed temporarily from imported aluminum sheets so that supplies might be brought here from the United States, the forthcoming issue of Hardware and Metal will say. It is believed that the Government does not look with favor on a change of this kind, partly because of the precedent it would set, and the probability of other far-reaching applications of a similar nature.

Said makers of aluminum household appliances and kitchen utensils must either concentrate their efforts on finding suitable substitutes for their products or in converting some of their manufacturing facilities to the production of other lines.

Investigating Substitute

Investigations are under way at the National Research Council in Ottawa to develop an alloy that will conserve the use of aluminum in the production of such articles as kitchen utensils.

Power Project Speeded Up

(Continued from page 1)

harnois by Parliament, the company can divert some 83,000 c.f.s. from the St. Lawrence. Operating at a head of 80 ft., Beauharnois can produce 665,000 h.p., but capacity by this time next year will be limited to the 13 units or 615,000 h.p.

At present Beauharnois has a market for practically all the power it can produce. Moreover, as reported in The Financial Post last week, the parent company, Montreal Power, has enquiries on its books for some 230,000 h.p.

Not all of these enquiries will develop into actual contracts. If they did Montreal Power probably would not be in a position to meet the demand.

New Outlook Seen

The additional installations and the prospects for considerably heavier sales of energy have altered considerably the revenue outlook for Beauharnois.

On the basis of contracts in force in 1939—since increased—Beauharnois Light, Heat and Power Co. covered bond interest by a small margin after charging $258,175 of bond interest to capital account.

With the business on the books and if some of the enquiries materialize, indications are that the operating company will be able to record a substantial gain in revenues in the period just ahead.

Wind-Up Holding Company

So far the holding company, Beauharnois Power Corp., has not received any revenue, but the Financial Post can state that steps will be taken to wind up this company before the end of the year.

Shareholders of Beauharnois Power Corp. will receive one share in Beauharnois Light, Heat and Power Co. for each two shares held in the holding company. This will necessitate increasing the capital stock of the operating company from 40,000 shares of the par value of $100 each to 713,780 shares of no par value.

When this transaction finally takes place it will be largely an internal arrangement. Montreal Power now controls a majority of Beauharnois Power common and the amount of stock in the hands of the public is considered relatively small.

Eventually the prospects are that Beauharnois Light, Heat and Power Company will be absorbed into the Montreal Power corporate structure. This would be in line with Montreal Power's past policy of complete ownership of subsidiary activities.

War Restricting Asbestos Sales

(Continued from page 1)

ged considerably behind the U.S.S.R.'s programme.

Canadian Government war regulations require licensing of all asbestos exports. This machinery is functioning smoothly.

Total sales for the year ended Dec. 31, 1939, were up, but larger sales of less profitable grades of asbestos reduced profit from the preceding year. As a result net profit totalled $929,809 compared with $1.2 million in 1938. The most satisfactory in the company's recent history.

Capital Structure

The company's capital structure consists only of 600,000 shares of no par value common stock. As this is the only charge on profits of the organization, the company's position for withstanding adverse operations has been materially enhanced from the period when the company had a heavy overhanging funded debt.

Dividends are being paid on a regular 15 cents quarterly basis, plus extras of 15 cents from initial payment of 15 cents on the new stock at June 30, 1939.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Canada War Loan	Sept.		3%	1952	*$325,642,200	98.73	3.12%

*Includes conversions of $25,642,000 of 4½% bonds maturing Sept. 1.

London Calling

by Atticus

Lord Derby "One of the Most Charming Personalities of the Century" — One Who Might Have Been Premier Passes

LONDON.—It will have been gathered from these notes that the writer does not spend his whole time in London these days, despite his passionate devotion to what Stevenson called "The Great Baghdad of the West." Business of a national character takes Atticus to different parts of the country, thus giving him a chance to compare air raid warnings with those in London and generally to sample life as it is lived in the provinces. It also allows ample periods for contemplation in trains that meander from one place to another with an Olympian disregard for such things as timetables.

Thus recently I left Liverpool at 10 o'clock so as to arrive in London at two and thus make sure of hearing the Prime Minister. By a splendid spurt over the last 10 miles the train just managed to reach London before six o'clock. But the journey was completed in perfect safety. While my activities in the Liverpool district did not concern him directly, I was delighted to be the guest of Lord Derby during my stay, and to renew contact with one of the most charming personalities of the century.

* * *

The Racing King

It does not fall to many men to live a life of such mingled enjoyment and service as Lord Derby's. He has a special place in his heart for racing, and never loses track of his responsibility toward the breeding of thoroughbreds. Fabulous offers from abroad do not tempt him even in these days of soaring taxation—and the sale of bloodstock is regarded as an appreciation of capital and is therefore not taxable.

Politics, of course, are deep in his veins. He has held high office, he has been a king-maker at Westminster, and he has unorthodox views about many of our public figures. Speaking of two Prime Ministers who shall be nameless, he said to me: "If you could have taken the qualities of A and added them to B, what a great Prime Minister he would have been."

On the walls of Knowsley are endless prints of horses that won classic races, and therefore a passing celebrity in the distant past. To me there is a limit to the charm of horses on canvas, but perhaps when they have been owned by one's ancestors there is a special pleasure in gazing upon them. But the real warmth of Lord Derby's generous nature comes to the surface when he speaks of the men and women of Lancashire or of his son Edward who died so sadly two years ago. Things are changing, and we may not see again so unique a relationship as this between one man and the people of a county. Lancashire is home to him and its men and women are his personal friends. In talking of Lancashire's industry and workers he has one regret—for the passing of the days when an employer knew all his men by name.

* * *

A Heavy Crown

For the second time Carol of Roumania has made way for his son. Perhaps when the young King Michael hears the cry, "Long live the King!" he will wonder how many years or months it will be before he will have again to give back the crown to his father. Roumania is a small kingdom, but it carries a heavy crown, and even the tenacious Carol may be glad to lay it down for a time.

I was in Bucharest in June, 1938, when the Roumanians were celebrating the eighth anniversary of Carol's return. There was a race meeting, including a mile and a half "King's Cup," which was won by the King's horse after what seemed a most commendable display of tact by the other horses. But Carol was not there to see the race. He had just sentenced Codreanu and the other Iron Guard leaders to prison and had assumed autocratic powers. The shadows were deepening, and his gleaming eyes, so strangely light, showed the nervous tension of his existence.

The new King has none of the sparkle of his father. He is serious, quiet, and cannot be called dynamic. At the time I was there he was supposed to nourish a certain sympathy for the Iron Guard. Now as King for the second time he must serve two masters—the Iron Guard and Hitler. When he tires of Bucharest he can go to his palace in the mountains near Siniai, where storms are violent and the thunder rolls through the caverns.

* * *

Rich Personality Gone

Two months ago Dr. Tilea, the recent Roumanian Minister, and Viscount Horne came to my house to dine. Tilea, in a white dinner jacket, was in fine form, but the usual vivacity of the famous Scotsman was lacking. He seemed tired and his mind less alert and swift. Not until he had told a perfect anecdote concerning the late President Wilson and "Billy" Hughes of Australia did his usual sparkle return. Nevertheless, no one thought him ill, and it was a cruel shock when the news came of his death.

His was a rich personality. There was music in the cadences of his Scottish voice. There were incessant humor and sagacity in his conversation and, behind it all, a deep and abiding culture as befits a man who once was a professor of philosophy. It was strange that he never married, for he was at his best in the company of ladies, yet he chose to walk alone.

He might have reached heights that would have earned him the title of "great," but his very adaptability may have robbed him of the supreme fulfillment of his personality. He liked life and he liked people. Ambition stimulated but did not gnaw at his vitals. His disappointments in politics were not harsh enough to drive him back furiously into the arena.

* * *

Lacked Political Passion

A good Minister of Labor, a medium Chancellor of the Exchequer, he might have been a claimant for the Premiership, but he lacked political passion and the opportunity passed him by. When, on Mr. Chamberlain's elevation to the Premiership, Sir Robert Horne went to the House of Lords, there was genuine grief in the House of Commons. He had never been better than in his devastating attacks on Mr. Chamberlain's ill-fated Profits Tax, and some thought he might throw himself into politics with a new ardor. Instead he chose the twilight of the House of Lords and we saw him no more save on those occasions when an important speech draws Peers to the gallery in the Commons.

Lord Horne was a notable figure, both in industry and politics, but those of us who were his friends will remember him most for his warmth of heart, his rich mind and his love of the gentle humor of everyday life.

ANTHONY EDEN

* * *

Eden Baffling Paradox

The future of Mr. Anthony Eden is always an interesting speculation. Now that there are so few former future Prime Ministers in the Cabinet his chances must be automatically enhanced. He has youth on his side, powers of endurance that are greater than his appearance would suggest, and he keeps his mind clear of confusion. When he spoke at the Dorchester Hotel at lunch time recently he drew a great audience. His reference to the "unruffled integrity" of Sir John Dill's judgment must be counted as a definite excursion into style.

Nevertheless he remains a baffling paradox. He is a spectacular figure, yet he rarely rises to the occasion as a speaker. If only he would hesitate in the choice of a word, if only he would bring from the hinterland of his mind a flashing phrase to light the dark places of our minds, if only he would break the rhythm of his sentences . . . . But there you are. In style he is simple, sincere. How I wish he would divide his speeches like a symphony into five movements! His audience likes him, but that is not enough. After the challenge of Mr. Churchill's oratory none of us, Ministers or backbenchers, dare be content with our self-established levels.

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The Post-Bag

Who Is He?

Last week's Time had a letter signed "Arthur T. Whitehouse, Vancouver," debunking the war, saying Canadian young men were not interested in enlisting, and suggesting that this war was the same old capitalist racket, etc.

Time published it and asked what other Canadian young men thought of the war.

If Time had telegraphed Vancouver it would have discovered that there is no person by the name of Arthur T. Whitehouse in the city directory.

Time, by the way, intends to open a special editorial office in Ottawa "to make sure that its Dominion news is reliable and informative." In view of recent past experiences of this magazine with its Dominion coverage, the move does not come as a surprise.

* * *

Missing Zeros

We read in a brokerage house bulletin:

> "Over and above its announced backlog of $170,000, Douglas Air craft has received from the U. S. an allotment to produce an additional $225,000 of military planes which will bring its backlog close to $400,000."

That's about a bomber and a half at present prices.

* * *

Study War

A group of American business paper editors will visit Ottawa next week to study Canada's war effort. The editors will interview heads of most of the important war departments.

* * *

U. S. Election

Betting is now swinging strongly to Roosevelt, who is at least a 2 to 1 favorite. Willkie boom is subsiding. The GOP candidate has pulled many "boners," due to political inexperience.

Most Americans are finding it difficult to follow all Willkie's turnings. When he entered California he paid tribute to Senator Hiram Johnston as the greatest inspiration in his life. Johnston authored the Act which forbids loans to Britain. He is No. 1 American isolationist.

Willkie then went on to San Francisco and said the U. S. must keep on sending aid to Britain, "our first line of defense and only friend."

* * *

Not a Spy

An American just returned from Berlin tells us this story:

One night recently he was out walking in Berlin. By mistake he wandered into a prohibited area. Suddenly he came upon a "verboten" sign and realized that he was on the spot. He sought to retreat but ran plump into a Nazi guard. Deciding to get in the first word he asked the soldier, in broken German, "How do I get out of this place? I seem to have lost my way. I want to go to such and such a place."

The German told him. The American started to walk away. In a minute he heard running footsteps behind him and turned around. The guard called him to stop, and then called out, "You aren't a British spy, are you?"

The American assured him he was not. "All right, then go along," said the Nazi, "I just wanted to make sure."

* * *

Second Place

In Cleveland and Detroit the war has dropped to secondary heads on newspaper front pages. Baseball gets the black streamers.

* * *

Tributes

A member of The Post staff visited an American city last week. First six men he met had German names. Every one of them expressed his enthusiastic admiration for the fight the British are putting up, not for themselves alone, but to preserve American democracy as well.

* * *

International House

The National Revenue Review publishes a little piece about houses that straddle the Canadian-American boundary line. Most of them are at Rock Island (P.Q.)-Derby Line (Vt.).

Perhaps on no other boundary line in the world could officials deal peacefully with the queer quirks of law that arise in connection with these houses. But apparently people who eat in the United States and sleep in Canada (or vice versa) manage to live their international existence, under the watchful eyes of customs and immigration officers and with never a squabble over their legal rights or duties.

* * *

Lesson from Past

Stevenson & Scott, advertising agency firm in Toronto, sends out a timely card with this message from Macaulay's History of England:

> "Those who compare the age on which their lot has fallen with a golden age which exists only in their imagination may talk of degeneracy and decay; but no man who is correctly informed as to the past will be disposed to take a morose or desponding view of the present."

* * *

Outlawed

The Vichy Government has outlawed Madame Genevieve Tabouis. The order was issued the day after her article appeared in The Financial Post (no connection). Madame Tabouis is writing her memoirs for book publication.

* * *

Popular Programme

American radio editors report that "Radio News Reel," the BBC feature broadcast each evening by CBC, has become one of the most popular features in the northern half of the United States. It is particularly attractive to those listeners who have not good short-wave sets. They can listen to a half hour of dramatic but reliable news from overseas, simply by tuning in the nearest Canadian station.

All of which shows how urgently Canada needs short-wave, to carry such programmes all over the United States instead of only to the north.

* * *

Straight Line

The longest straight boundary line to be surveyed and completely monumented anywhere in the world is the Alberta-Saskatchewan province interprovincial boundary — the Fourth Meridian. Tremendous obstacles had to be overcome in defining the boundary line, particularly in the northern wilderness. Canadian Geographic Journal has an interesting story on the survey work.

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MUNICIPAL HONOR ROLL

Five Years of Progress by Local Government

EDMONTON

Edmonton is the nineteenth in a series of municipalities included in The Financial Post Municipal Honor Roll for 1940.

These municipalities are those which are considered to have shown stability over a period of years, or in the recent years have made outstanding progress in improving their financial standing. No attempt is being made to run these in sequence of merit or size.

Edmonton has made progress since the refunding plan of 1937 was put through.

Fixed charges have been cut substantially and a good proportion of the debenture debt has been retired. Total of debentures bought and cancelled since the refinancing has been within requirements of the refinancing plan. Net per capita debt has been reduced to $169 from $183 in 1935 and this is encouraging progress although still somewhat high.

The city had been saddled with unwieldy indebtedness dating back 20 years, and got bogged down under the additional load of heavy relief costs of the 1931-35 period. The difficulties can be traced back to about 1910-11 when Edmonton, like many other fast-growing western municipalities, endeavored virtually overnight to provide services which eastern cities and towns had taken many years to establish.

Then came the boom of the early 1920's when the city overexpanded. The burden was increased by the excessive costs of sewers, streets, etc., which were extended literally into the surrounding countryside.

Finally came the serious problem of relief in the early 1930's. Costs of $1.2 million in the period 1931-35 were capitalized. While this item has been fully paid from current receipts since 1936, the heavy drain on tax and other revenues resulting had added to the difficulties of servicing the debt. Relief, including interest on the funded costs, represented about 10 mills on the total tax rate of 52 mills last year, compared with about 14 mills in 1936.

Declining assessment, in spite of substantial increases in population—a 35% step-up from 1926-39—also has added to the city's burden. A factor here has been a lack of the necessary activity in new building to take care of the increasing population. Primary reason for this is said to be the attitude of the provincial government, which has halted the flow of funds into the province for new building.

The city went through a period when tax collections were abnormally low. Considerable improvement has been recently shown, however, and collections of nearly 190% of current levy last year were a substantial improvement over the five years previous.

New Reducing Debt

The management of the city has shown determination to continue the improvement shown since 1937. Not only is relief being met out of current account, but public works also are being financed in the same manner. This policy, if continued, will gradually improve the credit position of the city. While new spending is restricted—and no public issue of debentures was made in the period 1935-39—the plan for gradually reducing existing debts continues to lessen the burden.

Substantial progress has been made in retiring bank loans. Heavy overdrafts were incurred in financing capital expenditures, but the figure of $1.8 million in 1937 has been reduced since by about two thirds.

The Statistical Picture

	1939	1938	1937	1936	1935
Population	90,419	88,887	87,034	85,696	81,621
Assessment—taxable .... (in $000's)	53,768	53,407	53,948	54,063	54,614
Assessment per capita .... $	594.65	600.84	619.85	630.87	669.11
Mill rate	52	54	54	55	55
Tax collections:					
Current collections to curr levy %	83.0	81.8	81.3	80.3	78.8
Current & arrears to curr. levy %	108.9	107.0	105.3	103.6	105.4
Gross debenture debt ... (in $000's)	20,240	20,272	20,127	22,718	22,567
Less: Sinking fund ...... (in $000's)	4,963	4,933	5,004	8,462	7,638
Net debenture debt ...... (in $000's)	15,277	15,339	15,123	14,256	14,929
Net deb. debt per capita .... $	168.95	172.57	173.76	166.36	182.90
Other liabilities .... (in $000's)	2,879	3,054	3,074	3,512	2,912
Relief expenses funded .... $	nil	nil	nil	nil	250.000
Relief met out of curr. rev.	455,384	441,145	482,957	546,597	265,553

Last Debentures Sold

None issued to the public in the period 1935-1939, inclusive.

C. P. R. Revenue Shows First Drop For Year

From Our Own Correspondent

MONTREAL. — Gross traffic receipts of Canadian Pacific Railway Co. for the week ended Sept. 7 amounted to $3.5 millions, a decrease of $477,000, or 11.9% from the corresponding week one year ago.

In the year to Sept. 7, cumulative gross earnings amounted to $109.7 millions, an increase of $19.6 millions, or 21.8%, compared with the same period of 1939.

Canadian National Railways reported an increase of $530,671, or 12.7%, or 11.27% in gross profit earnings in the week ended Sept. 7, against total for the same week last year.

Cumulative gross earnings to Sept. 7 amounted to $162 millions, an increase of $38.2 millions, or 30.8%, compared with the same period last year.

This decrease of Canadian Pacific Railway is the first recorded this year. In the week ended Sept 7 last year, earnings showed a sharp upturn, due to the first impulse of war activity.

It must also be taken into consideration that grain movement in the week under review this year would not be as heavy as last year. In addition to being the first decrease shown by C. P. R. this year, it was the first decline since the 10.19% drop in the 10-day period ended Oct. 31, last.

Strike Trouble Shows Abatement in Canada

Total of 18 strikes in Canada during August was the same as in August last year, but the number of workers on strike was substantially less and the loss of working time was less than half that in August, 1939. At the same time, the August figures reported by the Dominion Department of Labor showed some advance over July of this year.

Strikes in Canada

	—August—		July
	1940	1939	1940
No. of strikes	18	18	15
No. of strikers	6,712	11,823	7,191
*Time loss	15,953	32,298	18,612

*Man-working days.

To Those Going on Active Service

CANADIANS going on active service will find Crown Trust "Agency Service" invaluable as a means during their absence of having their personal financial affairs, whether large or small, adequately and economically handled, and of arranging for an experienced and understanding adviser to their families.

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These 1941 Dodge bodies have a new spring counter-balanced trunk lid that opens and closes without effort. New one-piece hood opens from the front. Battery is under the hood for convenience—in the fan blast to keep it cool.

Interiors are the most luxurious Dodge has ever turned out. Famous Dodge chair-height seats, the enemy of driving fatigue, are found in all Dodge cars. New door handles point straight down and must be pulled straight toward the passenger to open the door, thus preventing most accidental door openings. Check and Compare the Dodge Kingsway with ANY car. You don't have to pay more to own a Dodge. Inspect and drive a Dodge Kingsway and see if it isn't the greatest value you ever saw in the very lowest price field.

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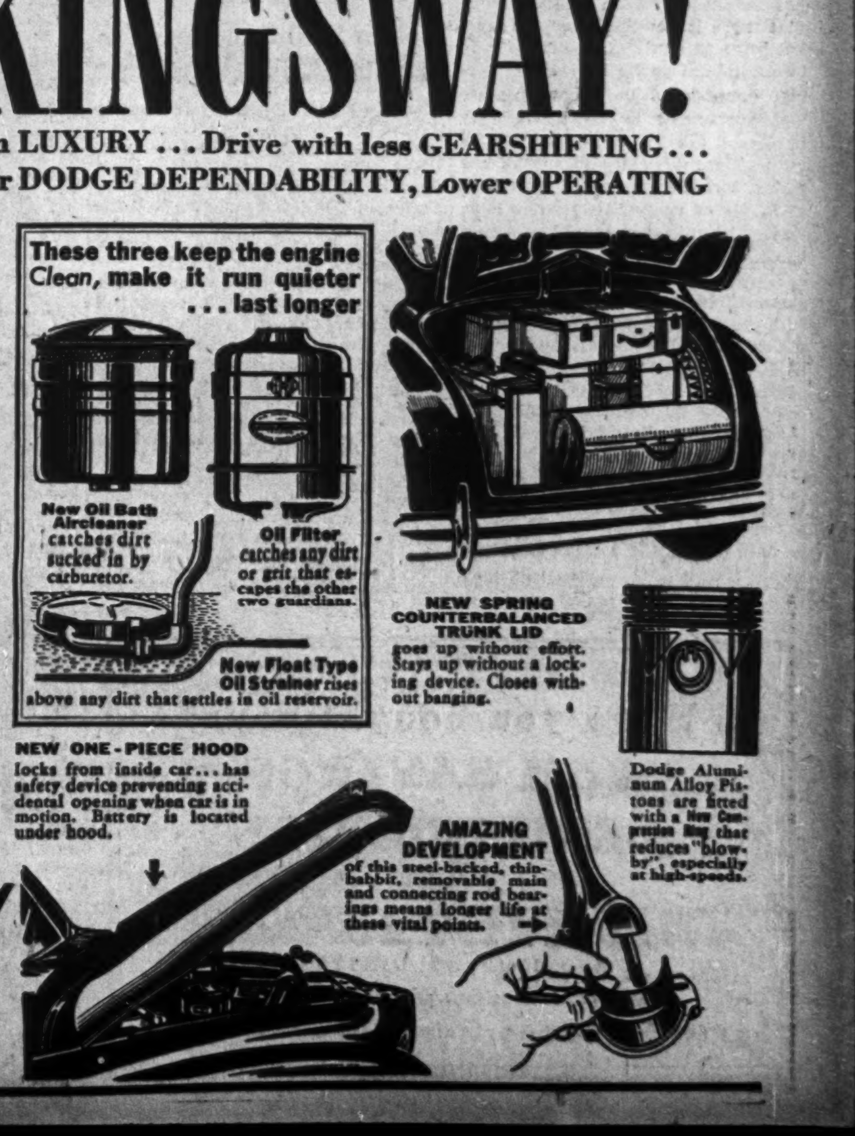

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NEW ONE-PIECE HOOD locks from inside car . . . has safety device preventing accidental opening when car is in motion. Battery is located under hood.
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Investment Trends

Next Six Weeks Seen As Critical Period

Stocks Again at Levels of Early September But Face Risks of War, Politics and Taxes—Frankness for Shareholders

A majority of those who follow stock market movements in New York closely seem to feel that the next month or six weeks will be a period when extreme uncertainty will surround the factors which normally determine the direction of stock price movements. They mention the course of the war and developments in the defense of Britain; the current presidential election campaign in the United States; and the huge defense spending programme with its probable higher tax burden.

Right now stocks are again at or approaching the levels where the recovery was interrupted on Sept. 6. Ability to move moderately above this point would not necessarily mean a strong recovery was started.

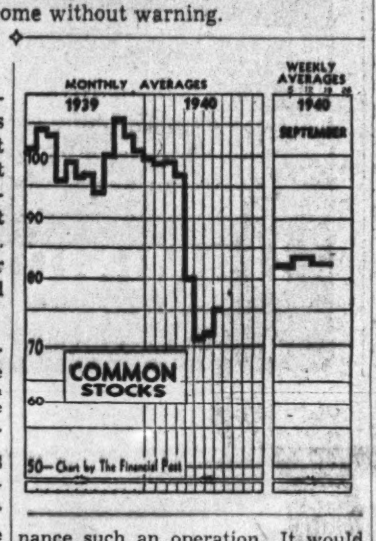
The presidential election will be decided early in November. The usually accepted critical period in the defense of Britain is already passing. The defense programme in the U. S. is getting under way rapidly. Tax matters appear still muddled.

At any rate, the reasoning followed hints that within the next month or so stock markets in the United States may break away from their prevailing reliance on foreign developments for their cues. They may turn to the domestic picture which will be one of near record activity.

Such a turn would logically mean some rise in stock prices, although probably not before a test of the lows of last summer on a stronger scale than yet seen. In any event current levels, or perhaps a few points higher, should be regarded as critical testing areas where resistance to further gains will develop.

For Canadian markets it could easily mean an impetus which would turn attention again to the wide gap between current earnings, even after allowing for high taxes, and capitalization of these earnings in the stock markets. This does not mean an immediate return to a 15 to 20 times basis for capitalizing earnings, however. War brings too many serious problems to make any such level likely. High rate of operations may be fleeting where dependent on war needs, while changes in fortunes of war may come without warning.

* * *



Telling Shareholders

How a company can keep shareholders informed of its progress is well illustrated by the pamphlet sent to shareholders of Lockheed Aircraft Corp. on Sept. 10. This company admits that its growth over the past two years is due to military orders. Its problems in handling huge war orders must be typical of those faced by companies everywhere today.

Lockheed's president, Robert E. Gross, tells shareholders how the company is protected against sudden termination of war orders and the possibility of replacing any cancelled foreign war orders with business from the U. S. Government. He discusses the question of profit limitation on U. S. Government defense orders and excess profits taxation on his company. He explains the important aspects of recent U. S. legislation from the standpoint of company earnings. He gives an estimate of future sales and the expansion programme required. He tells what actual profits for the first six months of 1940 were and the factors likely to affect profits in the last six months.

Lockheed has based its experimental programme on ordinary commercial needs for aircraft in spite of recent reliance on military orders. Mr. Gross tells shareholders what is involved in this experimental and development work. Competition both from present aircraft makers and from others who may enter the business is explained in relation to its possible effect on Lockheed itself. He tells what the company's current models are and who has ordered them for commercial and military use. Then he goes on to discuss the problem of an adequate labor supply and how it can be assured. His final section deals with the future of aviation after the war is over.

It is hard to see where shareholders could expect anything more from an interim report than Mr. Gross has given. These are problems which Canadian companies and Canadian shareholders are facing but few managers have been as frank in placing the facts before their shareholders as has Lockheed Aircraft Corp.

* * *

Liquidation

An important factor in holding back stock market gains in New York has undoubtedly been the knowledge that there is hanging over the market huge amounts of securities held by Britain, Canada and other foreign countries. Liquidation of these was suspended in recent months, partly at the instigation of British authorities and partly because of low prices, but if share prices recovered to levels of early this year, a new wave of liquidation would probably break out.

The so-called gentlemen's understanding between U. S. authorities and those in Great Britain, under which this liquidation was held back, is said to be not entirely satisfactory to many in the U. S. Talk of some more businesslike method of handling this liquidation, if and when it comes, has revived.

One proposal of a year ago was to have an American corporation formed and financed by the R.F.C. to take over these foreign holdings. There is said to be no legal obstacle to the R.F.C. funds being used to finance such an operation. It would not be a case of Britain asking for credits but merely turning assets already owed into cash.

Action along this line would remove one more obstacle in the way of favorable stock market moves.

* * *

Oil Burners

Prohibition of sale of fuel oil to new users does not extend to new household heating units, The Financial Post understands. The great majority of these would come under the exemption of units which would not use more than 4,000 gallons of fuel oil annually. It would be an unusually large house heating unit that would require more than 4,000 gallons of oil.

This will be good news to makers of domestic oil heating units such as Canadian Fairbanks-Morse and Service Station Equipment Co., subsidiary of International Metal Industries.

There is nothing in the latest order of the oil controller to reduce existing sales levels for oil fuel. Where fuel oil is made from Canadian produced crude there is apparently no obstacle in the way of taking on new customers. This may aid in maintaining the winter market for Turner Valley crude when local consumption drops.

Sales of petroleum products in Canada are understood to be setting new records this year, providing the basis for a good year for the oil companies, subject always to the effect of higher taxation.

Urban Building Up 23% In First Eight Months

Urban building activity in Canada gained 9.7% in August over the same month last year, and cumulative volume for the first eight months of this year is over 23% ahead of 1939, it is shown by the Dominion Bureau of Statistics monthly report on value of building permits issued in 58 cities.

Total for these centres in August is reported at $6,819,076, compared with $6,178,212 in August, 1939. Figure for the first eight months is $49,281,987, contrasting with $39,807,093 in the same period last year. Both the August and cumulative figures are the highest since 1931.

For the 200-odd municipalities covered by the D.B.S. since the first of this year, permits issued in August were valued at $10,103,306 and during the first eight months of the year at $68.5 millions. Comparative figures for the larger group of municipalities in previous years are not available.

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Mt. Royal Hotel Submits Plan

Simpler Capital Structure Proposed — Write Down Values $5 Millions

From Our Own Correspondent

MONTREAL.—A plan of capital reorganization, involving the raising of an additional $250,000 of new capital and writing down of $5 millions of assets, is announced by the Mount Royal Hotel Co.

The scheme provides in essence for rehabilitation of the first mortgage bond issue, held by the Metropolitan Life Assurance Co., and consolidation of the presently outstanding preferred stock, scrip and common stock into common shares.

As at June 30 last the company had outstanding a first mortgage bond of $3,560,000 of which the arrears totalled $416,277.

Plan New Bond

It is planned to issue a new first mortgage bond, which will also be floating charges on all the assets of this company, to the principal amount of $3,560,000. This bond will be dated Dec. 1, 1938, and mature Nov. 30, 1947. For the first two years it will bear interest at 3% and thereafter 4%.

Provision is made that in the event of non-payment of interest at Nov. 30, 1940, there will be an interest charge of 5% on unpaid interest. Commencing in 1940 a sinking fund will be established for the retirement of the new bonds.

It is further provided that the company will pay additional interest of 1% on the first mortgage bonds not later than Dec. 24, 1940, for the second year, payment to be made out of net earnings as defined in the trust deed.

Issue Stock for Scrip

In respect to the capital, the plan provides that the outstanding $1,704,475 of scrip will be converted into common stock on the basis of one half share of new common for each $100 of scrip.

The preferred stock will be converted into new common on the basis of one and a half shares new common for each preferred share, while the existing common stock will be exchanged on the basis of one twentieth of a new share for each old share.

Raise New Money

In order to raise additional capital of $250,000 the stockholders will be given the right to purchase the new debentures within 21 days after the plan is sanctioned on the basis of $10 for a unit of $10 of general mortgage convertible debentures and one common stock. These debentures are convertible into common at any time prior to maturity at the rate of $10 principal amount of debentures for each share of common stock.

C. A. Ripley, a large shareholder of the company, has underwritten the new debentures in return for which he receives 6,000 shares of common stock upon completion of the deal.

Write Down Values

In order to take care of the new common shares to be issued, the presently authorized capital of 60,000 common shares has been converted into 175,000 shares. The latter will be shown on the books at $1,811,475, or $5,014,225 less than the book value of the securities exchanged.

Distribution of the common stock under the plan follows:

Distribution of Common

To:	No. of Shares
Preferred	102,386
Scrip-holders	8,532
Common	3,000
Debent. bonus	25,000
Total	138,918
Conversion reserve	25,000
Underwriter	6,000
Unissued	5,082
Authorized	175,000

With the acceptance of the plan the Mount Royal Hotel Co. will then have outstanding $3,560,000 of first mortgage bonds; $250,000 of general mortgage debentures and 175,000 common shares of which just under 170,000 shares will be issued.

Investment Notes

Canadian Industrial Alcohol—By accumulating class A voting shares on the open market, Hiram Walker-G. & W. was able in August to reach actual voting control of the company with 51.04% of the class A, or 504,520 shares out of 988,480 outstanding. Walker also has a substantial interest in the class B non-voting shares of C.I.A. It looks as though Walker has saved a substantial amount when C.I.A. shareholders rejected the offer of 15 shares of preferred and three shares of common stock of Hiram Walker for each 100 shares of either class A or B of C.I.A. in 1938. This number of Walker's shares are now worth about $404.25 while 100 shares of C.I.A. class A would cost only $190 and $185 for the class B. Approximately this relationship has prevailed all this year.

* * *

S. E. C. supplemental report on July trading and securities by directors and officials includes the following of Canadian interest:

Canadian Colonial Airways—Sigmund Janas, officer and director, decreased holding. 100 shares to 9,810. J. E. Savard, director, held 200 common in April, 1940.

Celanese Corp. of America—Henri Dreyfus, officer and director, in March, 1940, increased common 643 to 26,348 through stock dividend. G. H. Whigham, director, in June, 1940, acquired 218 common as stock dividend and sold 1, holding 8,930, and holds 2,000 first preferred.

Hiram Walker-Gooderham & Worts—B. E. Ford, officer and director, increased common shareholdings 700 to 800.

Paramount Pictures—Henry Ginsberg, officer, held 100 common in Aug., 1940.

M. & O. Paper—Bondholders are advised by the protective committee that it will accept the reorganization plan on behalf of all bonds on deposit Sept. 10, except such as file notice of dissent by Oct. 21. Bondholders who have not yet deposited their bonds have until Oct. 25 to give written notice of acceptance of the plan approved by the courts.

Montreal Coke Pays Off Bonds

From Our Own Correspondent

MONTREAL.—With the retirement on Sept. 16 of $260,000 of the first mortgage 3½% serial bonds of Montreal Coke & Manufacturing Co. direct public interest in the company has been removed.

The only other funded debt outstanding is $2.2 millions of 3% first mortgage bonds, due 1941-47. This issue was sold privately to provide for redemption of a similar amount of 4% first mortgage bonds.

All of the preferred and common stock of Montreal Coke is held equally by Montreal Light, Heat & Power Cons. and Koppers Co.

Rail Earnings Reverse Trend

Drop in Grain Movements Reflected in Weekly Reports

From Our Own Correspondent

MONTREAL. — Reduced movements of grain in the past two weeks have brought to Canadian railways the first unfavorable weekly comparison of revenue in the current year.

Both Canadian Pacific Railway and Canadian National Railways reported a drop in traffic receipts in the week ended Sept. 14 from the same week last year. This was the second consecutive decline for C.P.R., after 10 months of successive increases. It was the first decrease for the Government-owned road since the nine-day period ended April 31, 1939, or 16 months.

In addition to the lower car loadings of wheat, the fact that activity was greatly stimulated at this time last year contributes to the unfavorable comparison in the week of Sept. 14.

Car loading figures reveal that wheat movements are considerably curtailed because of the loss of export markets that existed at the outbreak of war. Prospects are for a continuation of this trend and somewhat less favorable comparative figures of railway revenue. With substantial increases built up over the first eight months of the year, final results for 1940 will be better than in 1939.

Cumulative Figure Up

C. P. R. reports a decrease of $1.4 million, or 27.7 in gross traffic receipts in the week ended Sept. 14, compared with the same week last year. Gross total in this week was $3.5 millions, against $4.8 millions last year.

Cumulative gross earnings to Sept. 14 totalled $113.2 millions, an increase of $18.3 millions, or 19.2% over the corresponding period last year, when gross earnings totalled $94.9 millions.

A decrease of $419,723 in gross traffic income, or 8% is reported by C.N.R in the same week, compared with the preceding year. Income totalled $4.9 millions, compared with $5.3 millions.

Cumulative gross income to Sept. 14 amounted to $166.9 millions, an increase of $37.8 millions, or 29.2% over the same period last year when total was $129.1 millions.

C. N. R. Maintains Pace

Substantial increase in net earnings is reported by Canadian National Railways for August, $3.7 millions as against $638,203 in the same month last year, a gain of more than $3 millions.

For the eight months to Apr. 31, net increased by $23.7 millions to $24 millions.

Following is a comparative statement of C.N.R. revenues for August and the eight months' period:

Operating Statement

August:	1940 $	1939 $
Gross earnings	21,220,188	16,355,456
Oper. expenses	17,552,007	15,717,253
Net earnings	3,668,181	638,203
Eight Months to Aug. 31:		
Gross earnings	157,296,771	119,600,634
Oper. expenses	133,255,922	119,252,922
Net earnings	24,040,849	347,712

O. E. Armstrong Withdraws For War

From Our Own Correspondent

MONTREAL.—O. E. Armstrong has advised the Montreal Curb Market that he has ceased to do business under the name of O. E. Armstrong Co., as he has joined the Royal Canadian Air Force. Mr. Armstrong is retaining his seat on the Market.

C. I. L. Buys Property For Toronto Plant

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. announces the purchase of a one-story concrete block warehouse from McColl-Frontenac Ltd. in Toronto. Cost of the purchase is approximately $50,000.

The building will be used by the general chemicals division for office, storage and warehouse facilities.

Great L. Power Doubles Net

Six Months Profits Climb As Result of Industrial Demand

Net profit of Great Lakes Power Co. of $100,700 for the first six months of 1940 is more than double the figure of $48,382 for the comparable period of last year. The increase is attributable to the stepped-up industrial activity, as a result of the war, in the area served by the company.

A major customer is Algoma Steel Corp., which has been operating at near capacity. Demand also has been increased by addition of a new tin-plate mill to the Algoma Steel plant and by the new iron ore development of the same firm. Other large customers are Abitibi Power & Paper Co., Algoma Central & Hudson Bay Railway Co. and Chromium Mining & Smelting Corp.

Substantial increase was shown in operating revenues, while operating expenses also were much higher. The increase was the most pronounced in the second quarter of this year.

Comparable figures follow:

Financial Statistics
Six Months Ended June 30

	1940 $	1939 $
Operating revenues	518,479	396,815
Operating expenses	196,154	120,036
Net profit	100,700	48,382
Earnings per Share:		
Preferred	13.43	6.45

Dominion Tar Volume Rises

Improvement in Current Year Extends to All Branches of Activities

From Our Own Correspondent

MONTREAL. — Sales volume of Dominion Tar & Chemical Co. in the year to date is moderately up over the same period last year, The Financial Post is officially informed. Prospects for the remainder of the year are considered good.

Betterment has extended into all branches of the company's activities. If business for the remaining four months of the year is comparable to the same period last year, gross earnings for the year will be more satisfactory than last year.

In predicting business for the final four months of the year it is recalled that the same four months last year showed a sharp upswing in business following the outbreak of war. Business in September-December may therefore not be expected to maintain the same rate of increase shown in the first eight months of the year.

In 1939 net profit amounted to $629,595, compared with $503,696 in 1938, equal to earnings on the common stock of 90 cents and 55 cents a share, respectively.

1939 Record Year

Net profit for the current year will, of course, be contingent upon the extent of deductions for "excess" profits tax and business for the remainder of the year. A moderate degree of improvement in gross earnings will make net for the year comparable to that of 1939.

Profits in the years 1936-39, base for computing "excess" profits taxes, were fairly satisfactory. In 1939 net profit was the most satisfactory since 1930, when it totalled $820,972.

The company's salt recovery subsidiary, Industrial Mineral Ltd., at Waterways, Alta., will show a profit for the first time, having been built up by Dominion Tar in the past couple of years.

Since the outbreak of war there has been a shift in the company's outlet for manufactures. Loss of peacetime business in the months following the commencement of hostilities was filled to a large extent by demand that arose through erection of projects for Canada's war effort.

Wonder Bakeries Adopts New Vitamin Flour

Wonder Bakeries Ltd., operating subsidiary of Consolidated Bakeries of Canada, has introduced a new bread which it calls "Melior." This bread uses a flour developed by the Pediatric Research Foundation of Toronto which has to be milled to exact specifications.

Advantages claimed for the new bread are a higher content of vitamin B_1 than ordinarily available. Production of the flour and handling of the bread are under the supervision of the Institute. No special baking process is needed, the special flour being sufficient.

Public Utility Earnings

Mexican Light and Power

	1940 $	1939 $	Incr. $
July—			
Gross earn.	731,728	542,004	189,724
Oper exp.	584,871	476,863	108,008
Net earn.	146,857	65,141	81,716
Seven Months—			
Gross earn.	4,489,744	4,160,095	329,649
Net earn.	1,027,672	646,795	380,877

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg., mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-39:*												
High	432.5	113.4	273.4	423.3	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1940:												
Monthly Figures:												
Jan.	134.3	24.5	98.8	155.8	86.4	183.0	135.4	150.7	61.3	84.5	45.7	99.7
Feb.	129.3	23.4	98.4	158.2	90.7	184.3	134.0	146.8	60.3	84.3	45.3	99.0
Mar.	134.1	22.9	96.5	155.4	91.4	185.7	135.4	146.5	61.1	83.1	47.1	99.1
Apr.	132.5	24.6	95.9	147.6	91.6	184.7	137.9	146.4	61.9	83.8	47.1	97.0
May	102.6	16.3	77.6	124.7	80.5	165.0	117.9	115.8	52.0	79.7	39.4	80.4
June	93.2	13.1	62.9	100.2	70.3	144.1	106.9	103.3	47.0	74.7	35.8	71.9
July	92.0	13.9	67.1	101.3	74.5	145.8	114.2	102.3	47.1	70.0	35.5	72.5
Aug.	98.5	15.3	68.4	104.4	76.9	150.1	120.3	107.8	48.6	72.1	37.1	76.0
Weekly Figures:												
Sept. 5	107.8	16.7	71.9	118.7	80.5	156.3	123.6	119.2	50.4	75.5	39.2	82.4
Sept. 12	106.4	16.3	80.6	123.4	83.0	164.9	124.9	120.9	51.4	76.6	39.5	83.6
Sept. 17	105.1	16.2	81.6	120.7	81.9	164.1	124.6	121.0	51.2	76.4	39.1	82.7

*High and low for year from 1929 to 1939 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Sept. 24	105.41	99.15	69.87	23.78
Sept. 23	105.00	98.62	68.79	22.77
Sept. 21	104.01	97.74	68.02	22.62
Sept. 20	103.83	97.21	67.86	22.55
Sept. 19	104.27	96.84	67.68	22.47
Sept. 18	103.49	96.85	67.34	22.54
Month ago	96.05	91.89	63.78	19.79
Year ago	118.29	103.44	89.41	35.57
High, 1940	123.84	123.80	88.97	33.31
Low, 1940	86.00	77.36	56.81	18.44

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Sept. 24	57.5	70.3	66.1	93.10	76.61
Sept. 23	57.2	69.8	65.6	91.10	74.47
Sept. 21	57.1	69.3	65.2	88.96	73.76
Sept. 20	57.3	69.2	65.2	89.24	74.22
Sept. 19	56.7	69.6	65.3	90.11	72.94
Sept. 18	56.6	69.1	64.9	89.42	72.87
Month ago	53.7	62.5	59.6	84.61	67.80
Year ago	58.5	88.3	78.4	143.60	90.53
High, 1940	69.2	92.3	84.4	152.63	100.81
Low, 1940	50.7	56.0	54.7	80.44	55.16

Six Attractive Industrial Investments Yielding Over 5%

Security	Rate %		Price*	Yield %
Consolidated Paper Corp'n Ltd.	5½	Bonds	67.50	8.95
Interest payable July 2, 1941, accruing from July 2, 1940.				
Canada Cement Company Ltd.	6½	Preferred	97.00	5.15
Accumulated dividends September 20, 1940, $33.87½ per share. Dividend currently at rate of 5% per annum.				
Howard Smith Paper Mills, Ltd.	6	Preferred	104.00	5.77
McColl Frontenac Oil Co. Ltd.	6	Preferred	100.00	6.00
Dominion Tar & Chemical Co. Ltd.	5½	Preferred	90.00	6.11
Simpsons, Limited	6½	Preferred	100.00	6.50
Accumulated dividends August 2, 1940, $22.62½ per share. Dividend currently at rate of 6½% per annum.				

*Subject to market changes.

Descriptive information forwarded on request.

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Market Opinions

What happens to stock markets around current levels appears to be of more than average importance in forecasting future moves.

The Magazine of Wall Street, N.Y.—Values remain under the spell of day-to-day changes in the war news. With no vital decision in the battle of England yet indicated, we view the near-term market outlooks with caution.

* * *

The Annalist, N.Y.—The recovery of the past several days is a favorable development but by no means conclusively so. Another test of the market's technical position will occur when the Sept. 5 level is again reached, and there is nothing in the character of the advance up to date which gives any clear indication that an upward break-through will occur.

The political campaign has thus far exerted only a minor influence on stock prices.

* * *

Financial World, N.Y. — While speculative demand for stocks may not develop to any significant degree until some of the present uncertainties disappear, the domestic background is such as to discourage liquidation of previously acquired holdings. In the field of income issues, investors can find numerous stocks which, on the basis of yields afforded by dividends having good earnings coverage, occupy unusually attractive positions. It is suggested that for the time being, at least, new purchases be confined largely to issues of that type.

* * *

Barron's, N.Y. (The Dow Theorist)—The last signal of major importance having been down, back in May, and the last secondary indication having been up in July, the present interpretation is that we are in a secondary uptrend of a primary bear market.

The secondary advance has been large enough, both in time and extent, to justify the expectation, under Dow Theory, that a reaction will come sooner or later which will carry one or both averages to and below current levels.

* * *

Journal of Commerce, N.Y.—The market is now beginning to discount the high level of industrial activity and corporate earnings that are assured, for a considerable period to come, by the armament programme. The possibility of a sudden German victory over Britain, through invasion or otherwise, and a consequent immediate need for economic adjustments here to the return of peace abroad, has for some time past acted to discourage the making of new commitments in securities. With the probabilities now increasing rapidly that the war in Europe will continue into next summer at least, however, purchases of securities on the basis of existing earnings appear more fully justified.

* * *

Barron's N.Y. (The Trader) — In the light of events of last spring, it is not surprising, perhaps, that the market should be displaying hesitancy around the present level of prices. In the panic of mid-May, intense liquidation began only several points above where the industrials now rest.

Although the market as a whole has had something of a laborious job in struggling back to a level not far from that prevailing prior to the first deluge of spring liquidation, the resiliency meantime manifest in some of the highest-priced issues contrasts sharply with the sluggishness of the general list. It would seem to reflect a gradual willingness of capital to seek employment.

* * *

Brookmire Counselor, N.Y.—Signs of expansion in this country, spurred by the defense programme, tend more to confirm the view that boom-like proportions would be attained if England succeeds in prolonging the war and continues her large-scale purchases here. But in the midst of the air attacks, and before the question of a land invasion this autumn can be definitely answered, it is the part of prudence to suspend final judgment a bit longer. Recognition of this short-term uncertainty however, should not be allowed to alter clients' emphasis on companies well placed to share in recovery and defense opportunities.

Increased Bond Purchase Made By U. S. Company

Investors Syndicate, Minneapolis, increased its $250,000 purchase of Dominion 3% bonds, due 1955, to $350,000 to assist the second war loan reach its objective, according to E. E. Crabb, president. Because of U.S. neutrality legislation, the company cannot buy a new issue of Dominion bonds but can buy securities already distributed.

Ministers' Life & Casualty Co, Minneapolis, also purchased $10,000 Dominion 3% bonds, due 1955. This purchase also was made with the understanding it would enable a Canadian investor to purchase second war loan bonds in exchange.

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A LITTLE steam lifts the lid of your tea-kettle. A lot of steam drives trains, machinery. Your bank deposit may be little, but it combines with millions of others to make a lot of "steam". It helps to run the nation's machinery of production, marketing, employment, business. It is important indeed to the country's war financing and war-time effort. The money is yours yet it helps provide the credit necessary to move the goods and services of the nation. ℂ Canada's chartered banks thus perform functions of great usefulness. They receive the deposits of millions of Canadians, and extend credit to individuals, governments, businessmen and marketing organizations. The small depositor is important to the banks. The "little fellow", popularly so-called, is welcomed by any bank, as a customer.

[In war, as in peace, Canada's Chartered Banks maintain, uninterrupted, their useful services — safeguarding depositors' funds; facilitating the nation's business — looking forward to peace with freedom as the only sure basis of enduring prosperity.]

THE CHARTERED BANKS OF CANADA

Bond Markets

Investors See Activity In Redistribution

Some Selling of War Loan Forecast if Market Remains Receptive—Market Optimistic About Big Saskatchewan Maturity

Bond men predict some activity in the secondary distribution of the war loan. It is thought some institutions and large companies have taken up more bonds than originally intended in order to help offset the early slow response of the small investor and help assure success of the issue. The market remains strong and receptive to absorbing some offerings, so institutional selling may develop. In this work the organization of investment dealers has a particularly important function.

A pressing problem is the $3 millions Saskatchewan maturity of October 1. The market on this issue remains strong, indicating optimism among investors that the province will be able to meet it. Saskatchewan is finding it increasingly difficult, however, to meet its obligations. Even if it negotiates next week's hurdle, the basic problems remain. Coming as it does on the heels of the war loan makes it a bigger problem than ordinarily to find money.

Corporation issues continue to be regarded with considerable favor, in view of the continued upswing in general business. Little new financing is anticipated, however, in view of government policy of building new war plants and additions.

* * *

Further Restriction

Further drying up of new provincial financing is indicated in the Quebec policy announced by Hon. J. Arthur Mathewson, provincial treasurer. In line with the policy adopted by other provinces, Quebec is taking "drastic" steps to curb capital expenditures in view of national war needs.

Quebec did $65 millions of new financing in February, $40 millions obtained from the public and the balance arranged privately. This took into account the major portion of requirements for the year, according to Mr. Mathewson. The province has a $12 millions maturity on Oct. 1 and another $10 millions on Dec. 1. Indications are no public financing will be needed for these. If any funds are required, it is thought likely they will be arranged privately.

Deficit of $7.3 millions for the year ended June 30, last, was $4 millions less than anticipated, so the province probably has more actual cash on hand than it anticipated when the February financing was done.

* * *

Torch Taken Up

Recently a writer in Barron's was quoted as saying it was sound business for the United States Government to assist Canada in its problem of balancing payments with the U.S. Another New York paper, the Journal of Commerce, also has taken up the torch.

Says the Journal: "With a debt nearing $4,500 millions, Canada's refinancing plans can be greatly facilitated by friendly overtures from this country."

The New York paper, commenting favorably upon Canada's prospects as a result of the Canadian-American defense pact, lays the stress upon the longer term aspects of the agreement. It points out, also, that the pending Export-Import Bank expansion bill in the United States would provide a further supply of capital for Canada.

Another New York weekly, "Business Week," portrays Canadians as freely discussing the possibility of borrowing $50 millions from the U.S. Bank. This, it claims, would be used to help finance the near record wheat crop. Ottawa advices are to the effect there is not the slightest indication that anything of this sort is contemplated.

* * *

New Credit

At the same time, Canadians can regard with some optimism the move to expand terms of lending on the part of the Export-Import Bank. Amendments, now in course of passing Congress with special reference to the bank, have the effect of opening the door for Canada to financial assistance from Washington.

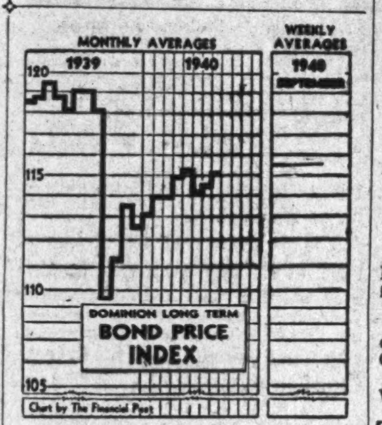
Official Ottawa is said to be watching the move, as one observer notes, "with the quiet pleasure of a man who has just found his best friend has doubled his credit rating for him."

Ottawa information is to the effect there is no need for the credit at present. Canada has not asked for it. The time may come, however, when substantial credits will be needed and the Dominion can feel more comfortable if they know the door is being left open.

* * *

India Follows Suit

British India has adopted wartime financing measures similar to those of other members of the Commonwealth. Issuance of defense bonds, interest-free bonds and defense savings certificates has been authorized.



The bonds are short-terms, with a coupon bearing interest of 3% with a redemption bonus of 1%. They are issued in denominations of 100 rupees (about $33.69) and are being limited to 15,000 rupees ($5,053) for each member of a family.

Interest free bonds are available in any amount above 50 rupees ($6.85) and are repayable after three years.

Savings certificates are available in multiples of 10 rupees ($3.37) and are limited to 5,000 rupees ($1,684) for each holder. Interest will accumulate at the rate of 5 annas (about 10½ cents) at the end of the first year and proportionately higher each succeeding year. They are repayable after 10 years, and if not sold until then give yield of about 3⅛% compounded, tax free.

* * *

Bond Index

The D.B.S. index of long-term Dominion of Canada bonds at 115.7 for week ending Sept. 19 was unchanged for the second successive week. It was up 6.5 points from the same week of last year and up 0.4 from the correspondng week of the previous month.

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 13-19	Preceding week Sept. 6-12	Weekly average year ago
Price	115.7	115.7	109.2
Yield	71.3	71.2	78.9

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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AN OPPORTUNITY to secure control of a company manufacturing paper containers for food products is available. The main outlet for its product offers tremendous possibilities and though established only a few years, this company is doing an increasingly large business and making money. Owner contemplating probable requirement of his services for war, would like to hear from anyone interested in making a $100,000 investment in a growing concern. Box 70, The Financial Post, Toronto.

Montreal Trams After Labor Pact

Asks Quebec to Make Agreement Obligatory On Both Parties

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. has requested the Quebec Minister of Labor that the collective labor agreement entered into between the company and its employees be made obligatory for both parties.

Among other things the agreement rules that earnings of conductors, motormen and operators will be limited to a maximum of 54 hours per week, but leeway will be allowed up to 60 hours a week when other men are not available to operate the full number of cars required. Time and a half will be paid for all hours in excess of 60 per week. Wage rates generally will show an advance over those previously in effect.

Covered, among other things in the agreement, were the amounts of overtime to be paid in the different departments, the granting of holidays, the working of spare men, and numerous rulings.

Simpson's Sales Increase 17%

Big Improvement in 8 Months — Mail Order Dept. Expands

C. L. Burton, president, Simpson's Ltd., reports a 17% increase in business of the company for the first eight months of 1940, as compared with the same period of last year. In the Prairie Provinces, the improvement was about 14%.

During 1939, sales for the first eight months were slightly lower than in 1938. Business in the last four months of last year showed a marked increase, however, and the 12 months figures were higher than for 1938.

The company has carried out an expansion programme this year involving enlargement of Toronto and Halifax mail order buildings. The Halifax retail store has been modernized and warehouse and office space added in Regina. The mail order department has been expanded considerably this year to include all types of merchandise. Lines to be added have included farm and dairy equipment, hardware, paints, household lines, infants' goods sporting goods, car parts, tools and accessories.

Dominion Gas Revenues Up

Net Drops Due to Exchange Losses and Higher Taxes

Net earnings for Dominion Gas & Electric Co. of almost $2 millions for 12 months ended June 30, last, were up over $88,000 from the previous year. This is an interim period, as the company's fiscal year ends Dec. 31.

Net profit showed a substantial decline, figures of $238,704 being down about $191,000 from the previous year. The drop was due primarily to increased taxes and loss on exchange, as all revenue is derived from Canada. The company, through subsidiaries, serves 120 communities in Alberta and Saskatchewan.

Consol. Income Account
Years Ended June 30

	1940 $	1939 $
Oper. revenue	4,482,062	4,442,176
Less: Oper. exps.	2,531,306	2,577,335
Net oper. inc.	1,950,756	1,864,841
Add: Other inc.	25,179	22,607
Net earnings	1,975,935	1,887,448
Less: Depr. & amort.	427,750	435,119
	1,548,185	1,452,329
Prior subsid. charges:		
Bond interest	256,429	257,117
Other interest	24,996	25,840
Dom. inc. tax	333,940	189,556
Amort. disc. & exps.	15,448	25,011
Pref. divds.	218,518	213,869
Min. interest	9,461	15,233
Tax on divds. rec. .	......	17,660
	689,393	708,243
Less: Int. coll. tr. bonds	256,523	256,523
Other interest	17,820	17,820
Loss on exch.	96,183	4,108
Oper. exps.	80,162	......
Net profit	238,705	429,792
Earnings per Share:		
Preferred	9.55	17.19
Common	0.41	1.63
Working Capital		
Current assets	1,608,339	1,683,109
Current liabs.	852,123	708,774
Working capital	756,216	974,335

Try to Block Bondholders

Windsor Separate School Board Takes Counter-Action

A counter action is being taken by Windsor Separate School Board to block legal action taken by bondholders. Writs have been issued in the Ontario Supreme Court on behalf of East Windsor and Sandwich Separate School debenture holders requesting an order to sell school properties. It also requests appointment of a receiver of the property, pending sale, and a receiver of the board's revenues. East Windsor and Sandwich schools are now part of the Windsor administration.

Armand Racine, K.C., attorney for the Windsor Separate School Board, has been authorized to seek a court order dismissing the bondholders' action. The board holds permission of the Ontario Municipal Board must be obtained before any legal action is started against the separate schools.

A previous attempt by the bondholders to get Municipal Board permission for a suit was unsuccessful. The bondholders claim approval is not needed for issuance of the writs already granted by the Supreme Court.

Windsor Separate School Board is to take up the question with the Dept. of Municipal Affairs of how to distribute an accumulated surplus of $180,000 among creditors. Bondholders have regarded previous terms of the School Board for distribution of this surplus as unreasonable.

Wings Ltd. Loss Up Last Year

Cessation of Mining Exploration Reduces Traffic Volume for Airline

Wings Ltd., operator of commercial aircraft in western Canada, reports lower operating revenue down $32,698 to $175,330 in the year ended May 31, 1940.

Operating expenses for the year are down $17,883, leaving net loss of $39,843 against $23,962. Almost complete cessation of mining exploration at the outbreak of war has confined the company's operations to licensed operations with mail growing in importance.

Fixed assets are up $14,767 most of which is accounted for by purchase of a freighter-type airplane at a "price well below present day value and which appears on the balance sheet at cost." At May 31, the company owned 11 aircraft, all of which were said to be in excellent condition.

Figures on operations for the past year compare with the preceding period as follows:

	1940	1938
Hours flown	4,788	6,156
Miles flown	476,706	637,081
Pay passengers carried	4,989	5,263
Goods carried, lb.	1,286,027	2,047,733
Mail carried, lb.	182,855	90,870

Wings Ltd. in conjunction with Starratt Airways and Transportation Ltd., has undertaken to operate Air Observers School No. 5 at Winnipeg for the Air Training Plan. Operation is scheduled to start Jan. 6, 1941.

The Board of Transport Commissioners recently held a series of hearings, at which commercial aircraft operators presented their views, for the purpose of determining where duplication of services may now exist. It is planned to recommend reduction in services where there is such duplication. The results of this hearing are of considerable interest to Wings Ltd.

Consol. Income and Surplus Account
Years Ended May 31

	1940 $	1939 $
Gross oper. rev.	175,330	207,428
Less: Oper. & admin. exp.	*195,314	213,197
Operating loss	19,984	5,769
Add: Depreciation	15,682	18,254
Prov. for invest. loss ..	4,455	......
Overhaul exp.	......	1,290
Less: Other income	278	1,351
Net loss for year	39,843	23,962
Less: Previous surplus ..	6,570	30,532
Deficit forward	33,273	†6,570

†Surplus.

*Includes executive remuneration of $13,400 and solicitors' fees of $1,180.

Working Capital

	$	$
Current assets	66,382	104,206
Current liabilities	25,046	30,110
Working capital	41,336	74,096

Ontario Tobacco Sells Inventory

Position of Ontario Tobacco Plantations Ltd. has been improved by the sale a month ago of the company's carryover of the 1939 tobacco crop on a fairly favorable basis, it is stated officially.

Outlook for sale of the current crop, however, is still uncertain. Harvesting is still proceeding and it will be another month before this is completed and all tobacco is put under cover. Not until then will the price for the coming year be determined. The company's crop suffered by the early frost in August which destroyed about 50% of the tobacco crop. The Financial Post learns that Ontario Tobacco's loss was about on the average with other producers.

Also adding to the uncertainty is the fact 20 million pounds of the 1939 crop held by other companies is not yet sold.

Now You Can Do Your Decorating BLINDFOLDED!

Here is the answer to all color-matching problems that arise when decorating your home: the *Regency Ensemble* in Simpson's "Wishmaker's Shop"! From the *Regency Ensemble* you may select rugs, furniture, lamps, accessories, upholstery and drapery fabrics in perfect harmony—even if you chose them *blindfolded.*

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Simpson's

MURRAY ROOF REPLACES THE BUCKET BRIGADE

Robert Simpson Eastern Limited Specifies Murray Built-Up Pitch and Gravel Roof for new Extension Mail Order Building

The newest addition to one of Canada's greatest merchandising establishments, the Extension Mail Order Building of Robert Simpson Eastern Limited, Toronto, is fittingly protected by a Murray Built-Up Pitch and Gravel Roof.

Among prominent Canadian firms which have chosen Murray Roofs are:

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- Canada Packers Limited
- Canadian Oil Company
- The Wabasso Cotton Company Limited
- General Foods Limited
- Moirs Limited
- Toronto Hydro-Electric System
- Trans-Canada Air Lines
- Canadian National Railways
- Campbell Soup Company Limited
- Canada Life Assurance Company
- Bell Telephone Company of Canada
- Courtaulds (Canada) Limited
- American Can Company

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TORONTO, SEPTEMBER 28, 1940

The Financial Post Editorial

Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Post believes the situation demands:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Appointment of non-political industrial co-ordinator with complete authority to direct procurement of munitions and supply.*
3. *Pay-as-we-go policy, in so far as consistent with "total" war. Elimination of public and private waste.*
4. *A national programme for dealing with post-war employment problems and relief problems, along general lines laid down in Sirois report.*

The Churchill Touch

Yes, we got our $300 millions. But there can be no enthusiasm for the success of the campaign.

What of the future?

Canada is going to have more war loans. The money must and can be found. It may have to be found in the face of even higher taxation than Canadians are now bearing. How can we ensure success next time?

One prime essential—and this applies to all phases of the war effort—is a greater fervor and enthusiasm on the part of all Canadians.

So far this war has been an impersonal tragedy for most Canadians. Not even the ghastly loss and suffering of the Battle of Britain have changed that. Not even the cold-blooded sinking of 400 children and parents.

Were bombs (God forbid) to drop on Ottawa or Quebec or Vancouver, this detachment would quickly disappear. But there were no bombs over Canada and few over Britain in the last war. Yet the war effort then was carried forward with a depth and intensity of feeling that left its mark on the nation for almost a generation.

There is no part of Canada nor any group of citizens unwilling to sacrifice and strive to the utmost limit to ensure victory. Such willingness needs direction and inspiration.

Wherever this has been given the response has been overwhelming. It shows the urgent need for a widespread national consecration to the cause for which we are fighting and for the most impassioned leadership this country can muster.

In short, it is the Churchill touch that is still lacking in Canada's war effort.

Too Much For One Man

Wheat and War Services are vitally important sectors of the war front.

Wheat is only one of the many and varied agricultural problems which war has brought into focus. It currently overshadows everything else because our wheat crop may prove to be the most costly single item in our entire wartime bill of goods.

War services embrace not only national registration and mobilization but all the many voluntary and inspirational phases of the war effort. It is a full-time job requiring the full-time leadership of the ablest, most imaginative executive the nation can muster.

At present both these jobs are being handled under one minister — Hon. James Gardiner.

Prime Minister King announced last week that this arrangement will continue indefinitely.

It is no disparagement of Mr. Gardiner's unquestioned ability to say that he should not be expected to direct both these portfolios.

The Edmonton Journal concurs in that view when it states editorially:

> "Mr. King ought to recognize without further delay the soundness of the contention that the appointment of a full-time head of the department of agriculture is essential . . .
>
> "Careful and extensive planning for every branch of the country's chief industry is required from the occupant of that position. This cannot be done on an adequate scale by a member of the cabinet to whom such additional functions of great importance have been committed as those which Mr. Gardiner undertook a little while ago. The dual task has been left with him much too long already."

Future Market Needed

The vital importance of a futures market for wheat handling under normal conditions has been amply demonstrated in the last six months. The war, with its sudden closing of important overseas markets, with its drastic effect on shipping, has temporarily curtailed the functions of the open market. As a result a bumper harvest is dammed at the farm, and because no man knows its actual worth, for the first time in the history of Canada, No. 1 hard wheat has no definite credit rating.

No matter how much or how little wheat there is in the world, the futures market in normal times gives one the exact value of that wheat at any given moment. The farmer with a bin full, knows to a cent what it is worth in dollars or in trade. For this assurance he is indebted to the open market.

And no one, as the current market letter of the Searle Grain Co. points out, has ever been able to devise an organization that could possibly take the place of the Winnipeg Grain Exchange and its futures market. Some 50 Royal Commissions have delved into grain marketing in Canada in the last 50 years and not one of them has failed to stress the value of the futures market to the farmer grain grower; not one has suggested that this value could be provided in any other way.

This point must not be overlooked in dealing with the present wheat problem. During the war we may have to forego the advantages of the open market but we should have assurance that we are giving up such advantages only temporarily.

Ontario's Income Tax

How much income tax will you pay next year?

If you live in Ontario you probably do not know.

Quebec is one of the few provinces which has stated how much tax it will collect under the new federal schedules. Ontario, which last year collected $7 millions from this tax, has kept silent.

This leads the Windsor Star to remark:

> "It is time the Provincial Government of Ontario set the people's minds at rest in respect to the income tax question. Since the Dominion income levy was drastically increased in the last budget, they have been waiting for the assurance that the Province will not take advantage of these higher rates to pull more money out of their already sorely beset pockets."

In the past, Ontario's tax has been one-half the federal rate. To continue this would greatly increase the provincial tax even though the higher federal tax is deducted before the province gets its share. Similarly the province can vary its tax very considerably by accepting or rejecting the new scale of "exemptions" announced by Ottawa.

In one typical moderate income example an Ontario citizen who last year paid income tax of $15 to the province might be liable for as much as $80. Other examples could be quoted to show that the new tax might be three or four times the amount paid last year.

Apparently Ontario does not intend to commit itself as to income tax rates, prior to the meeting of the legislature next spring.

This is unfortunate.

Very shortly many citizens will start making advance payments to Ottawa under the plan outlined by Hon. J. L. Ilsley a few days ago. They will want to know as soon as possible just how much they will have to pay.

Some official reassurance from Ontario that there will be no attempt on the part of the province to take advantage of higher federal rates should be made as quickly as possible.

Prosperity and Survival

The publication "Factory" in the United States has issued a 400-page special edition devoted to the theme: "What Industry Can Do For America."

The story is very similar to one that might be told in Canada.

It starts from the premise that industry today has a twofold job. First, to create a better livelihood for the nation. Second, to produce the materials for a national defense programme which will ensure national survival.

Both these jobs—serving prosperity and patriotism—are responsibilities that can be done most effectively if industry is given the proper conditions under which to work. But millions of people on this continent have a false notion as to what these conditions are.

> "They think—many of them—that you can create 'new purchasing power' by transferring a dollar from one man's pocket to another man's pocket.
>
> "They think—many of them—that you can increase the wealth of the country by increasing the public debt of the country.
>
> "They think—many of them—that you can earn more daily bread by doing less daily work.
>
> "They think—many of them—that you can enlarge the national prosperity by setting aside great classes of able-bodied citizens to live on pensions without doing any work at all.
>
> "They have lost touch with the fact that work, intelligent work, strenuous work, is the only known root of wealth for the nation and of economic happiness for the families within it."

High employment and prosperity are invariably linked with the flow of new capital into productive enterprise. Every $5,000 invested in capital adds a job. Yet industrial costs have arisen and new investment retarded by failure to appreciate the true sources of wealth and prosperity.

In 1929, for example, U.S. industry spent 1.7 cents of each sales dollar for taxes. In 1937 it spent 3.4 cents. Had the 1929 rate been in effect in 1937, industry would have spent $1,000 millions less for taxes. Had this amount been used to modernize industrial equipment, 200,000 new jobs would have been created in durable goods plants. Industry and Government working together could reduce costs by 35%; could greatly increase productivity and wealth.

Today new plants and new jobs are being created at a prodigious rate because of the imperious need of "national survival." But the same principles of economic gain or loss hold good.

In fact, the very nature of this wartime expenditure (for purely destructive purposes) makes it all the more important that industry and Government work together to reduce ordinary taxation and clear the decks of everything which impedes productive efficiency.

A Story Worth Telling

With this issue, The Financial Post publishes its 22nd annual survey of the Canadian pulp and paper industry. In that period the industry has experienced a little prosperity and many vicissitudes. Many bad points have been featured; many good points neglected. Yet withal the industry has grown in stature from year to year. Today it is unquestionably Canada's greatest manufacturing industry; a fact appreciated by few Canadians.

Just now the spectacular performers in the Canadian industrial field are those industries engaged in making war supplies and war materials. But for importance of contribution to the national effort none is greater than that put forward by the pulp and paper industry. It isn't possible to make shells or anti-aircraft guns in a pulp or paper plant, but the latter can and do produce products which can be converted into much needed U. S. currency for the financing of war purchases in that country.

The contribution of the pulp and paper industry in wartime is all-important; in peacetime it is equally so. In the employment of labor, payment of taxes and royalties to cover the cost of public services, purchase of materials and in its everyday operations, the industry has a profound influence on the national welfare.

The manufacturers of pulp and paper have been backward and even loath to telling their story. It is a story which should be told and to that end The Financial Post devotes a special section each year to outlining the work and accomplishments of the pulp and paper industry in the Canadian economy.

This year the story is more important than ever. Canadians may well take pride in the productive effort and wartime programme of this industry, and especially of the part being played in financing the war effort.

Editorials in Brief

Here's one reason why some industrial firms were not able to do as much as they would have liked, in the Second War Loan. It is this: slow pay on government war orders.

In one community where a great deal of war business has been placed many firms are now paying 5% and 6% to the banks to "carry" commitments entered into on behalf of the Government.

They hesitated to add to these commitments by further bank borrowings on war loan account.

The Canadian Editorial of the Week

A Victory That is Defeat

Wellington J. Jeffers in the
Toronto Globe and Mail

If the $300 millions Second War Loan campaign can be called "successful" because it has been oversubscribed, it is a victory which wraps up a defeat. Everybody on the street heaves a sigh of relief because it is finally over, and because the stigma of falling short of what the Government says it needs for war purposes has been avoided. But nobody is really happy about the results; we are so used to seeing Canadians oversubscribe their loans with zip, enthusiasm and spontaneity, that this kind of victory is distinctly depressing.

Can we accept the explanation that the organization for the Second War Loan campaign was as inexpensive as it was possible to conduct at this stage of the war? That can be reported better when all the figures are available. To save money on overhead is undoubtedly very important, but any method is too dear at any price if it does not do the job. And methods used obviously did not do the job, because the loan degenerated in the last days into a begging campaign, which should never be associated with the valuable securities of a Dominion richly dowered with natural resources, and with a thrifty, hard-working and intelligent population.

Many believe that the loan was ill-timed, that it came at a time when Ontario farmers had crop losses behind them and market and price uncertainties still ahead of them; at a time when the Western wheat farmer could not know how the Government would iron out his storage and market and payment tangles, and at a time when many workers had not had enough steady work to pay off old debts and place themselves in a position to invest.

That . . . still leaves the question open, because I am told there are 330,000 deposits in chartered banks of from $1,000 to $25,000, and that the total is more than $900,000,000. These deposits alone could have financed the whole loan by lending one dollar out of three. And there was $1.6 billions altogether deposited by four million depositors.

When the population and deposits were 30 per cent less, back in 1919, we raised $600 millions. It should be possible to raise more than that every year if the right methods are used. Few would argue that Canadians are less patriotic than then, but it would pay us all to study the methods of those days.

What has happened is an excellent organization through the financial houses of the appeal to the institutions and corporations, and an ineffective, overlapping and haphazard canvassing of the investor of modest means. These things were much better done, so far as private investors were concerned, in the last war, and a careful study of that time would be profitable as preparation for the next loan.

Conditions change, but not so much that the $50 bond, the zone organization, the enlisting of leading citizens in every district and unit, encouraging conditions for canvassers, and a large-minded but lively campaign drawing in everybody, will not work many wonders beyond the power of the Second War Loan campaign methods.

And there were very drastic criticisms of the Government from those who were approached by canvassers. Many reports came to this office of a deep resentment expressed by many non-Liberals who think this war is being treated as a party preserve in Canada, and who feel that Premier King should have organized on national lines and put outstanding Canadians, who carry the confidence of the people for their outstanding ability and character, at the head of all the most important departments. Even Liberals tell me the resentment in the country that National Government was not accomplished is growing.

Sayings of the Week . . .

"Business must be given a chance to make a profit."—*Wendell L. Willkie.*

• • •

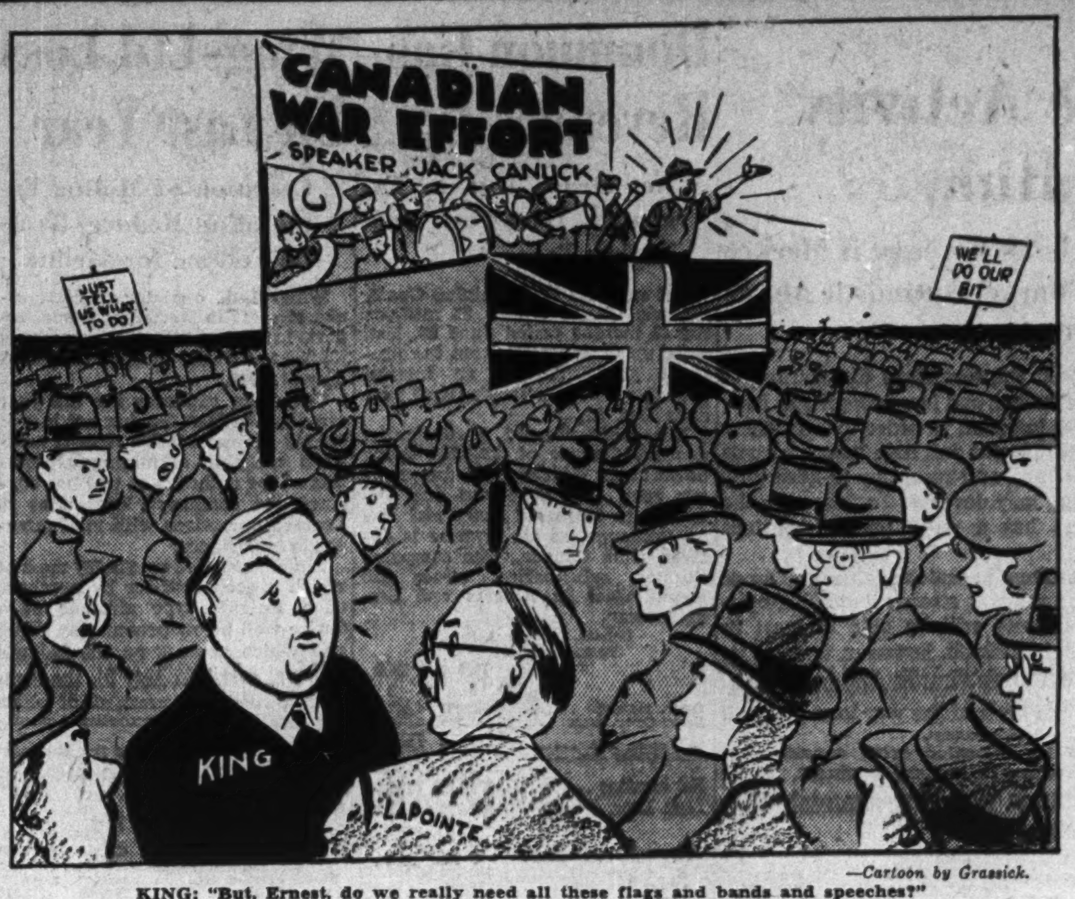
"I declare to you, Mr. Speaker, that, casting my eyes about, I espy a stranger."—*Prime Minister Churchill calling for secret session of Parliament.*

• • •

"Civilization means law and order in the world and to get that we must be willing to fight.—*Lady Astor.*

• • •

"We honestly believe we are holding the fort for other nations as well and for the world."—*Archbishop of Canterbury.*



—Cartoon by Grassick.

KING: "But, Ernest, do we really need all these flags and bands and speeches?"

Post-Scripts . . . . .

New Labor Nominee

Arthur MacNamara of Winnipeg is being mentioned as the new Deputy Minister of Labor at Ottawa. Mr. MacNamara is 57 years old and the retirement age in the civil service is 65. This being so there must be special reasons why the Dominion Government should be seeking his services rather than those of a much younger man.

ARTHUR MacNAMARA

Mr. MacNamara looks perhaps 10 years younger than he is. He is a quiet-spoken, patient and eminently agreeable kind of man. There is not a glint of flashiness or superficial lustre to the abilities which have carried him to his present eminence among civil servants in this country. He is shy, diffident where publicity is concerned and uncommonly reticent at the conference table. And he seems continuously to be smoking a long, black cigar.

• • •

MacNamara's reputation as an administrator has been of slow growth, but there has been an inevitability about it. He has made an outstanding success of every job he has tackled. And in 20 years odd in the public service he has tackled a good few assignments which most people believed to be impossible.

The secret of his success—if it may be called a secret—is that he combines first-rate ability with complete disinterestedness. He believes that any problem of government can be solved provided you study it thoroughly and seek only the interest of the public. To this extent he is a congenital idealist.

• • •

He was born near Toronto and went west in 1908. He was successful in private business but lacked the money-making desire. His record as a public servant begins shortly after 1919 and is a curious one. Mr. MacNamara always coveted impossible jobs. The more hopeless the problem the more it attracted him.

In Winnipeg in 1919 there was a general strike which many people believed was the beginning of a red revolution in Canada. Employers and the community on the one hand and labor on the other were at daggers drawn. Blood was spilled in the streets of Winnipeg. Premier Norris of Manitoba met the strike committee, accompanied by a bodyguard carrying loaded automatics.

The problem of restoring normal relations between employers and employees seemed hopeless. But Mr. MacNamara—then an unknown—was attracted by it. He sought that job and entered the public service as an official of Manitoba's Bureau of Labor. Within a few years the wounds had healed. Today even the scar has vanished.

• • •

Manitoba, during the Roblin-Rogers regime, indulged in an orgy of public works. Later on, vast road projects were undertaken. The department, which included labor activities as well as construction, was shockingly inefficient. MacNamara's influence gradually widened until he became deputy minister. Manitoba's public works department is now a model of efficiency. Indeed, Manitoba's record in administering relief money throughout the depression will stand comparison with any other province.

• • •

Last December trouble arose regarding the payment of Soldiers' Dependents Allowances. There was virtually a breakdown in administration. The Government was engulfed in a tempest of criticism: the late Norman Rogers was at his wit's end.

He sent for MacNamara. The day MacNamara arrived a conference was called in Mr. Rogers' office. The Minister and his senior advisers were present and the intention was to tell the newcomer what he was up against and what he should do. Mr. MacNamara thanked them for their interest and asked them not to discuss the allowances problem, nor to give him advice. He preferred to deal with the problem in his own way and if they would call another meeting a week later he would be glad to come and swap views. There never was another meeting of this kind. The problem itself promptly vanished and in succeeding months there has never been a word of real criticism in or out of Parliament.

• • •

This is the man who has now been offered the deputy ministership of labor. That the offer will attract him is certain. The Labor Department at Ottawa, while it possesses several top-flight men, is regarded as one of the most ineffective and inefficient departments. Its main weakness has lain with a succession of deputy ministers who, while citizens of sterling character, had no real talent for the job.

In the result, great opportunities for service have been either lost outright or botched. The Purvis report was largely pigeonholed. Youth training flourished for a time but at last became anaemic through lack of nourishment from above. Today the department commands the respect neither of employers or employees.

Without wishing to criticize unduly the present minister, Hon. Norman McLarty, the department has acquired something of the reputation of an elderly spinster—it scolds and it beams, it has long periods of comparative somnolence, usually followed by spells of great but unproductive activity and occasionally tantrums. In seeking the services of a competent deputy, Mr. McLarty is doing what should have been done long since.

Assuredly because of the need of vigorous, intelligent administration, Arthur MacNamara is now considering the offer. Acceptance, no doubt, will cost him 20 years credit in the Manitoba pension fund.

• • •

Telephone Dean

Seventy-five years ago a youngster of 14 got a job as a telegraph messenger boy with the Montreal Telegraph Company and was delighted when informed that his pay was to be one cent per message. Today that man is the dean of all telephone pioneers in Canada. He is Lewis B. McFarlane, former president and chairman of the board of directors of the Bell Telephone company of Canada.

L. B. McFARLANE

The other evening while sitting in an easy chair at his home in Montreal, thinking back to the days when earning a living "was really tough," a visitor called. It was L. St. J. Haskell, secretary-treasurer of the Charles Fleetford Sise Chapter of the Bell Telephone Pioneers of America. The old-timers had not forgotten the date.

• • •

Mr. McFarlane was reminded that he was not long in losing some of his enthusiasm for travelling all over Montreal for a cent a message and that it was not long before he became a clerk in the telegraph office. That job, to him at any rate, was far from the top rung of the ladder and he spent his spare time in learning how to be a telegraph operator. Soon he was on the Canadian end of the Montreal-Ogdensburg wire, in charge of operators. Among those under him was Charles R. Hosmer, who eventually became general manager of the Canadian Pacific Telegraphs and later a director of the C. P. R.

A short time later found him at work at L'Abord-a-Plouffe. Successors at this post included James Cochrane, a mayor of Montreal later on, and William Henry Drummond, who found fame through his French-Canadian poems.

• • •

Distant fields then began to call and he operated keys in New Orleans, Detroit and Nashville and other points in the United States. While in Detroit he operated the Associated Press Wire and associated with him were two men who, like himself, eventually headed telephone companies. They were W. A. Jackson, who became president of the Michigan District Telephone Company and W. A. Forbes, who became president of the Michigan State Telephone Company.

Back to Canada and he took a job with the Dominion Telegraph Company. This time it was as assistant to the general manager in Toronto, Thomas Swinyard. This company became interested in the telephone business and he was chosen to head the new department.

When he was 28 he was in charge of the eastern division of the then newly formed Bell Telephone Company. Included in his duties was the job of providing Montreal with its first telephone exchange.

The post of general manager of the Bell fell his way in 1906 and five years later he was named managing director and in 1915 president. Just 10 years later he quit that post, but accepted the job of chairman of the board. When he retired in 1930, to take a well-earned pension, he had completed 65 years in the communications business.

• • •

Irish Admiral

Engineer Rear-Admiral H. A. Sheridan is a distinguished naval officer who has been a resident of Canada now for nearly a year. He was assigned at the outbreak of war to important duties in connection with the organization of armaments and supplies.

Admiral Sheridan entered the British Navy as an engineer cadet in 1900. He saw service on different ships in various parts of the world and had attained several steps in rank when the last war began. During its earlier stages he served on the battleship King Edward VII, and later on the destroyers "Nicator" and "Tryphon." It was in the Nicator that he went through the battle of Jutland. That ship must have had a charmed life. It was the only survivor of a group of British destroyers, which audaciously closed to within 4,000 yards of the German Grand Fleet.

• • •

After the war Sheridan served with the rank of Engineer Commander on five other ships, mostly cruisers. His professional competence earned him an appropriate reward in 1933 when he was given the responsible post of Squadron Engineer Officer for the destroyer flotilla of the Home Fleet. He had now become one of the senior engineer officers in the British Navy. In 1936 further promotion came to him when he was appointed Fleet Engineer Officer on the staff of Sir Dudley Pound, then commander-in-chief of the British Mediterranean Fleet. During his two years' service in this post he led a very busy life. Grave crises created by the Italian attack upon Ethiopia and the civil war in Spain made the Mediterranean Sea a dangerous political storm centre. The British Mediterranean Fleet was continually ready for action.

When Sheridan completed his term of duty in the Mediterranean, he was in April, 1939, given the rank of Rear-Admiral, the highest attainable by an engineer officer. Last September he was instructed to join the British Supply Mission in Canada in the rôle of assistant to Admiral Sir Percy Addison, the British Admiralty's representative on that body. After a few weeks Sir Percy was recalled home and Admiral Sheridan took his place. He played a large part in the organization of the extensive shipbuilding programme which the British and Canadian Governments have entrusted to Canadian shipyards. His expert knowledge of naval construction has enabled him to give very valuable guidance to our shipbuilders, who have acquired a high respect for his abilities.

• • •

Admiral Sheridan makes his headquarters in Ottawa, where he is very popular, but his duties have taken him all over Canada and he has made warm friends wherever he has gone. He is endowed with a racy Irish wit and has no mean gifts as a public speaker. His qualities as a "good mixer" have often enabled him to smooth out troublesome difficulties which have arisen.

After the return to Britain of Col. Greenly the first head of the British Supply Mission, Admiral Sheridan acted as its chief. He now works in close co-operation with Canada's Ministry of Munitions and Supply.

Stop Me If . . . .

Wife (to husband enquiring what she thought of his speech): "You didn't make the most of your opportunities."

Husband: "What opportunities?"

Wife: "Why, the opportunities you had of sitting down."

In the Mail . . .

Mirror of Industry

Editor, The Financial Post:

I want to congratulate you on your special wartime industrial edition "Canada's Industrial Front," which speaks volumes for the enterprise of Canada and the efforts of your editors and mechanical departments.

These fine editions do much to open the gates of new business and foreign trade for the Dominion, and attract much new capital and personal interest to our nation.

The Financial Post has not only served the financial interests of the people of Canada with their investments, but has acted as a mirror of the inside workings of industrial Canada and our governments.

A. MacIntyre Bruce,
St. Thomas, Ont.

Public Servant

Editor, The Financial Post:

My attention has been drawn to the all too flattering editorial notice in your issue of Sept. 21.

May I say that the work which, after the Near Eastern planning period, I was invited to undertake, and which I felt I ought to do as a duty without emolument, is not directed by any Council or Ministry. I have been proud and grateful to have been trusted and allowed, over a number of years, to do abroad voluntary public (not secret) work for the British Commonwealth.

I have been more than rewarded by the happiness I have had from this duty done and by the conferment of the Honorary Degree with which a British University was kind enough to recognize it.

TRACY PHILIPPS,
Ottawa.

Failure of the Loan

Editor, The Financial Post:

In your Sept. 21 issue you stress the lack of sales push as a cause of the near failure of this loan. But there is more to it than that.

How can the Government expect the people to think that their few odd dollars will make any difference in this war, when they see the Government wasting millions.

Can you imagine the thoughts of the small eastern farmer and the workman in the city, when they read in their papers the Government has guaranteed the western farmer 70 cents for his wheat and the western farmer turns round and grows more wheat than ever. We have insane asylums filled with people who have more brains than to do a thing like that. How many extra acres will be planted to wheat next year, I wonder?

The C.N.R. is still throwing away millions of dollars. One of the first things this Government did when war broke out, was to appoint a number of men as liaison officers for the press. The press was the first to insist that they were a waste. But the waste goes on.

The biggest farce of all, is this so-called conscription. All the money being spent on this, is being thrown away. The men are sent to camp, then just as they are getting into good physical condition, they are sent back to their old life.

Just when it is important that the people have faith in the men in their Government, they appoint La Fleche as a deputy minister.

The above reasons explain why I have not bought any bonds.

E. McCABE,
Montreal.

Co-operation but not Confederation . . .

St. John's (Nfld.) News

The new importance attached to Newfoundland's strategic position with regard to North American defense has promoted The Financial Post to comment on the state of Newfoundland - Canadian relations. It states the obstacles to political union to be the competitive nature of basic products, our high public debt, our different living standards and our system of customs taxation. These are undoubtedly some of the major barriers to confederation although Newfoundland's public debt is relatively much smaller than Canada's.

But the interesting part of The Post's editorial is the analogy it draws between U.S.-Canadian relations and the problem of Newfoundland-Canadian relations. It says of the United States and Canada that "both these countries are working increasingly in harmony as to economic and military policy, yet there is no suggestion that there should be political union." The Post adds: "For the time being, at least, similar co-ordination should and will continue between Canada and Newfoundland. But the clear waters of this relationship need not be muddied by concern about political union."

It might have added that the main reason for friendly relations is to be found in common membership of the British Commonwealth. That friendship should continue and Newfoundlanders will want to see it continue just as long as Canada does not put on a big brother act. Meanwhile the only anxiety that is felt in this country at the present time is concerned with our right to determine for ourselves what our political destiny within the British Commonwealth will be. So long as no clear statement of our constitutional rights under the Commission system is forthcoming that anxiety will persist.

Week in Business

Proceeds of War Loan To Stimulate Business

Hundreds of Millions of Dollars Will be Put to Work Buying War Supplies and Paying Wages All Over Dominion

News that Canada's second war loan had finally been taken up was received by the business community generally with satisfaction. The effect of bringing another $300 millions into active circulation is generally expected to be an important business stimulant.

This money, much of which was lying on deposit in the banks, will now be put to work as the Government pays it out for munitions and supplies, to be distributed later in wages to the workers and to pay for raw materials bought from the farmer, lumberman, mining company, etc. It will undoubtedly increase the spending power of the public.

• • •

The advance in business in recent weeks has been reflected in The Financial Post Business Index for August which reached a new high level at 144.2, about 3% over the previous month and nearly 20% above last year. Expansion was most noticeable in industries engaged in war work. Mineral production was higher, base metal exports up, the meat packing and cotton textile, iron and steel and construction industries being more active.

As work under various contracts awarded recently has not yet begun, continuation of this activity in the coming months is indicated. The Business Index at its present level is about 12% above August, 1929. It exceeds the previous high of 141.7 established in June.

• • •

Trade reports indicate that business is continuing at a good level. In the larger industrial centres iron and steel products are moving well. Paints, varnishes, hardware, builders' supplies, etc., are all meeting a good demand. Clothing sales, too, are good.

In the Prairie Provinces business continues active but retailers are still inclined to a wait a little on the development in connection with the crop movement before making any extensive commitments. Railway carloadings are lighter than a year ago owing to the congestion in terminal elevators. So far no real solution of the grain problem has been found but a recent estimate indicates that it will be necessary to hold only about 51 million bushels on the farms indefinitely, which indicates that it will be possible to deliver most of the 1940 crop in coming months.

Business Indicators

Current business holds at recent levels though D.B.S. index of business activity for week ended Sept. 14 pulled below level of year ago by reduced carloadings, smaller bank clearings and stock market trading.

The Financial Post Business Index at 144.2 breaks through former high record established in June.

Carloadings for week ended Sept. 14 above previous week but 13% below last year.

Railway earnings for second week of September lower than year ago for both roads. Total for year to date, up 29% for C.N.R. and 19% for C.P.R.

Iron and steel production in August 35% and 41% respectively above 1939 levels.

Automobile financing in August lower for both new and used cars. Total for eight months up 17% for new and 18% for used.

Sea fisheries in August show catch and landed value lower than last year. Totals for eight months slightly higher.

Dressed lumber exports higher in August, total for year up 11%.

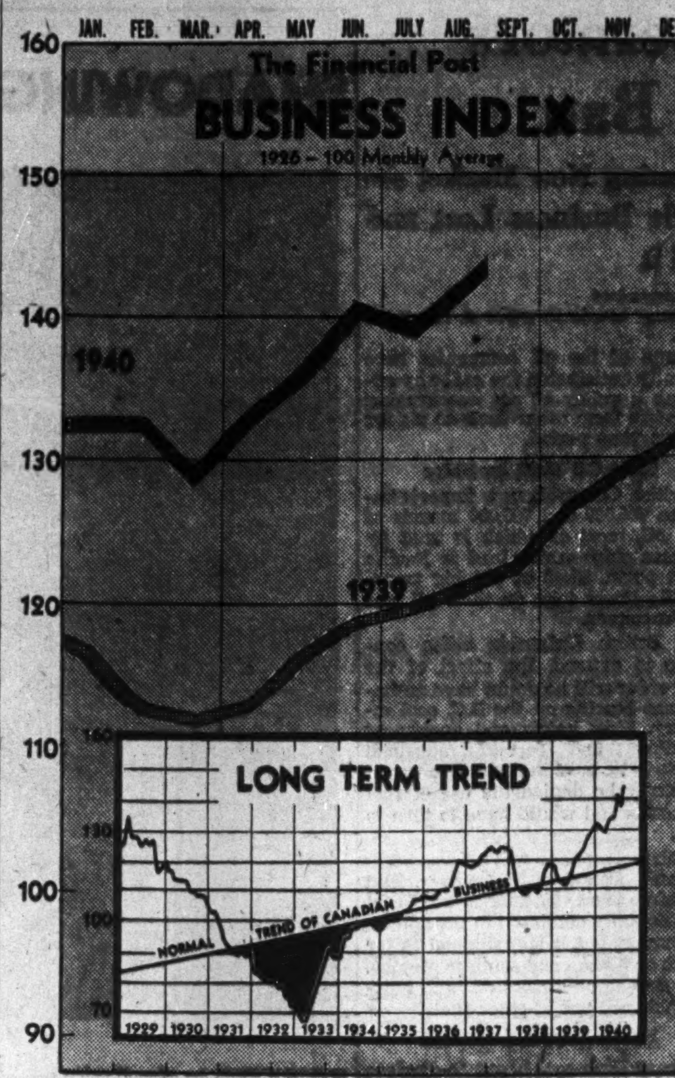
Cigarette consumption in August lower than year ago. Total for year up 4%.

Trend of business shown by The Financial Post Business Index and following key factors new items for the week being marked thus■.

TREND OF BUSINESS—	Sept. 14	Sept. 7	Aug. 31	Aug. 24	Sept. 16/39
Weekly index of business, D.B.S.	104.5	103.6	104.3	104.1	110.1
Commodity prices index no.	83.0	82.8	82.7	82.6	77.4
	Aug.	July	June	May	Year Ago
■The Financial Post business index	*144.2	139.5	141.7	136.2	121.0
Retail sales index no.	....	89.5	91.8	89.3	81.1
■Dept. store sales index no.	89.8	87.6	81.4	82.7	73.1
Wholesale sales index no.	....	105.2	117.6	127.1	96.3
Country store (% change pr. yr.)	....	+6.2	+8.3	+8.5	—6.2
EMPLOYMENT Index Nos., D.B.S.	Aug. 1	July 1	June 1	May 1	Year Ago
All industries	127.9	124.7	120.9	114.3	117.5
Manufacturing	134.4	130.3	129.2	125.7	112.8
Wage earners, no. 000's	....	....	2,568	2,489	2,385
■Living costs weekly budget	$17.90	$17.84	$17.72	$17.85	$17.02
			Jan. 1 to date		%
RAILWAYS—	1940	1939	1940	1939	Change
■Carloadings (week Sept. 14)	61,779	71,274	1,920,581	1,689,939	+13.6
■C.N.R. gross (week Sept. 14) $	4,888,627	5,308,350	166,881,580	129,074,495	+29.3
■C.P.R. gross (week Sept. 14) $	3,485,000	4,823,000	113,217,000	94,949,000	+19.2
■C.N.R. net revenue (Aug.) $	3,668,181	638,203	24,040,849	347,712	....
C.P.R. net revenue (July) $	2,404,830	626,160	15,040,837	5,977,503	+151.5
IRON AND STEEL—Aug.—					
■Pig iron production (tons)	88,885	65,920	734,436	422,028	+74.0
■Steel ingots and castings prod. (tons)	172,210	122,019	1,300,083	813,309	+58.6
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (July)	4,567	5,826	74,189	60,335	+23.0
Factory output .. (Aug.)	1,510	1,068	77,193	76,148	+1.3
Trucks and Buses:					
Domestic sales* .. (July)	2,282	2,057	19,460	15,531	+25.3
Factory output .. (Aug.)	12,483	2,407	62,180	30,217	+105.5
Financing:					
■Used (Aug.) $	3,711,742	3,354,598	29,625,981	25,287,791	+17.2
■New (Aug.) $	1,986,731	2,267,915	24,084,917	20,291,570	+18.7
CONSTRUCTION—					
Contracts awarded . (Aug.) $	40,747,000	25,827,200	195,489,000	131,402,800	+48.9
Cement prod., bbls. (June)	928,636	727,504	2,727,804	1,994,691	+36.7
AGRICULTURE—					
Flour prod. bbls. .. (July)	1,222,975	1,105,502	8,790,547	7,927,853	+10.8
Flour exp., bbls. .. (July)	313,864	403,377	4,065,870	2,626,675	+54.7
Wheat exp., bush. .. (June	13,570,107	14,637,016	67,702,282	51,313,467	+31.9
Cattle sales▲ (Aug.)	116,817	105,120	673,011	643,058	+4.6
Hog sales▲ (Aug.)	327,997	293,572	3,023,633	2,084,932	+45.0
SEA FISHERIES—‡					
■Catch, cwts. (Aug.)	1,328,000	1,426,700	7,366,350	6,603,450	+11.5
■Landed value (Aug.) $	2,957,200	3,041,100	12,486,500	11,951,750	+4.3
NEWSPRINT—					
Production, tons ... (Aug.)	316,607	236,975	2,291,283	1,805,669	+26.8
Exports, tons ..... (July)	318,841	200,173	1,823,983	1,415,290	+28.8
MINING AND OILS—					
Coal prod., tons .. (July)	1,227,967	1,093,542	9,455,368	7,909,811	+19.5
Coal imports, tons . (July)	2,398,461	1,590,973	9,125,592	5,456,919	+67.2
Gold prod., fine oz. (June)	451,277	436,538	2,572,042	2,489,969	+3.3
Crude oil prod., bbl. (June)	657,098	821,308	3,661,029	3,371,238	+9.2
Crude oil imp., bbl. (May)	4,864,457	3,643,726	11,238,400	9,753,800	+15.2
ELECTRIC POWER OUTPUT—(July)—					
Total monthly, 1,000 kw.h.'s	2,615,232	2,205,844	17,583,735	15,950,096	+10.2
FOREIGN TRADE—♦					
Imports ..... (July)	89,496,233	57,980,050	585,597,018	379,059,369	+54.5
Exports ..... (Aug.)	111,359,571	76,475,742	766,533,773	561,583,507	+36.5
OTHER INDUSTRIAL FACTORS—					
■Dressed lumber exp.: 1,000 bd. ft. (Aug.)	281,529	246,455	1,511,451	1,363,405	+10.8
Shoes, prod., pr. .. (July)	1,861,028	1,833,993	14,586,969	13,083,764	+11.4
■Cotton consump., lb. (Aug.)	16,200,326	11,950,149	127,931,558	74,467,698	+71.8
Raw rubber imp., lb. (July)	11,400,868	5,568,367	52,035,287	36,196,076	+43.8
■Cigarette cons. No.† (Aug.)	620,889	719,562	4,865,781	4,689,886	+3.6
Sugar manufactured .. lb.§	65,603,276	101,582,123	549,006,346	489,370,866	+12.1
FINANCE—					
Bank debits† (July) $	2,622,547	2,376,528	19,624,237	17,509,832	+12.0
■Bond sales† (Aug.) $	83,513	113,427	1,341,012	985,864	+36.1
■Life insurance sales (Aug.) $	24,698,000	26,494,000	241,225,000	234,781,000	+2.7

*D.B.S. All Canada figure covering over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 10, 1940. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.
▲Total at yards and plants. •Deficit.
New items for week marked ■

SKF
BALL & ROLLER BEARINGS
ALL TYPES - ALL SIZES



BUSINESS AT NEW HIGH LEVEL

Under the influence of war orders, The Financial Post Business Index for August established another new high at 144.2, a gain of more than 3% above the level of the previous month and almost 20% above last year.

Statistics show the cotton textile, newsprint, construction and the primary iron and steel industries to be particularly active at present.

Major Economic Factors

		Aug., 1940	Aug., 1939	Increase+ Decrease—	July, 1940
The Financial Post business index*		‡144.2	121.0	+19.2	139.5
Capitalized bond yields*		138.6	146.8	—5.6	137.4
Bank deposits*		131.4	127.5	+3.1	128.0
Gold receipts at the mint	fine oz.	444,033	398,251	+11.5	401,186
Silver shipments	fine oz.	2,392,782	2,472,848	—13.2	1,827,175
Sugar manufactured	lb.	65,603,276	101,582,123	—35.4	99,353,443
Cheese, factory production	lb.	23,926,523	20,437,938	+17.1	24,721,478
Butter creamery production	lb.	33,954,195	33,928,273	+0.1	40,106,418
Cotton consumption	lb.	16,200,326	11,950,149	+35.6	15,131,408
Newsprint production	tons	316,607	236,975	+33.6	332,689
Planks and boards exported	M. ft.	281,529	248,455	+13.3	243,617
Shingles exported	squares	307,728	310,576	—0.9	243,181
Automobile production	no.	13,993	3,475	+302.6	14,466
Contracts awarded	$	40,747,900	25,827,200	+57.8	29,305,600
Carloadings	no.	255,953	228,978	+11.8	247,555

*1926=100. ‡Preliminary.

Use of Cotton At High Level

August Consumption 32.7% Greater Than Year Ago — Exports Up Sharply

From Our Own Correspondent

MONTREAL. — Consumption by Canadian textile mills was maintained on a high level during August. There were 32,468 of 500-lb. gross bales opened during the month, compared with 24,406 in August, 1939. This was an increase of approximately 7.6% over July of the current year and 32.7% over the same month last year.

The Cotton Institute of Canada's index of cotton consumption, adjusted for seasonal variations, stood at 201.2, compared with 148.4 last year. The July index figure was 187.2. Peak was reached in February this year when the index stood at 221.5.

Eight Months Up

In the first eight months of the current year aggregate consumption amounted to 255,161 bales, against 148,945 in the corresponding period of the previous year, an increase of 72.2%. Average monthly consumption since the beginning of the year totalled 31,895, compared with an average of 18,618 for the same eight months of the previous year.

More Goods Exported

Export of Canadian cotton manufacturers established a new record in August, totalling $1.1 millions. Of this amount Great Britain accounted for $638,000.

For the eight months' period to Aug. 31 exports totalled $5.6 millions, an increase of $3.3 millions over the same period a year ago. Great Britain's purchases were $1.8 million higher.

Exports to Great Britain have consisted principally of coarser materials, such as yarns, duck, etc., needed for military purposes. Markets supplied prior to the war by Great Britain have increased importation of Canadian cotton manufacturers considerably. This would indicate that this situation will exist for the duration of hostilities.

B. C. Power Corp. Net Shows Drop

Gross Increase More Than Offset by Higher Expenses

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp. reports gain in gross earnings of $105,756 to $1.4 millions during August from the same month last year. Increase in operating expenses of $108,031 during the month reduced balance available for the class A stock to $143,631 from $144,906.

Gross earnings for the eight months period to Aug. 31 rose $598,435 to $11 millions, while expenses increased $479,542, leaving balance available for class A stock for the period of $1.5 million, an increase of $128,305 over the corresponding period last year.

Operating Statement

August:	1940 $	1939 $	Incr. $
Gross earns. ..	1,415,972	1,310,216	105,756
Expenses	1,084,675	976,644	108,031
Int., pref. divs.	187,666	188,666	*1,000
Bal. for A stk.	143,631	144,906	*1,275
Eight Mos. to Aug. 31:			
Gross earns. ,	10,960,154	10,361,719	598,435
Expenses ....,	8,004,007	7,524,465	479,542
Int., pref. divs.	1,503,326	1,512,738	*9,412
Bal. for A stk.	1,452,821	1,324,516	128,305

Quarterly Air Figures Given For First Time

MONTREAL. — Aviation companies operating in Canadian territory flew a total of 2.5 million route miles in the first quarter of the current year, the Dominion Bureau of Statistics estimates in the first report on civil aviation compiled on a quarterly basis. There were 22,095 miles of licensed flying routes in the Dominion.

The mileage is that flown over both licensed and unlicensed routes and by transportation services, but does not include operations of flying schools nor short flights, such as sightseeing trips, national defense operations, nor individual flights.

There were 32,001 passengers carried during the three months' period. Freight carried totalled 3.1 million lb. Mail carried amounted to 739,082 lb. Passenger miles flown totalled more than 7 millions and freight miles were 232,122.

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Keeping Posted . .

By J. C. KIRKWOOD

Canada has always been a land of opportunities, and in the present years and in the years to come after the war is ended fresh opportunities for young people to find work, and perhaps fortune, will abound. Canada was a land of opportunity for William Winters, a native of northern Ireland, and who came to this country in 1906. He got his first Canadian job with Christie, Brown & Co. then he worked in a molding shop. With his saved money he brought to Canada his parents and their children. In 1912, Mr. Winters bought a team of horses and started a local cartage business in St. Catharines. Then he bought a truck, and delivered merchandise to hardware stores and coal to factories. Then he bought another truck and became a piano mover, and then a furniture mover. By 1926 he had 16 trucks on the road, and when he sold the Winters Transport Co. to Terminal Warehouses he was operating 110 pieces of equipment—trucks, tractors and semi-trailers.

Now there is a new company, Direct Winters Transport, operating 300 units of equipment, and employing 500 persons. The company has its own terminal building with 26,000 square feet of ground floor space.

The main point in the story of William Winters which appears in the August issue of Bus and Truck Transport in Canada is operation economy—economy achieved by the new terminal and by the amalgamation of two companies—the original Winters company and the Direct Transport Co. also a Winters incorporation.

I suggest that this article in Bus and Truck Transport can be read with profit to them by all engaged in transport enterprise.

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One Standard Can

Here's an item of news which should be of interest to everybody. After January 1, 1941, the tin containers of fruits and vegetables, jams, preserves, jellies, marmalade, fruit and vegetable juices will be standardized—which means that all manufacturers and packers of fruits, vegetables and allied lines will put up their products in tins of specified sizes and having specified weights.

In the past there has been a multiplicity of container sizes—not because packers wanted many sizes, but because they had to meet competition, especially in foreign markets. Now the Federal Government has decreed that sizes and weight of contents must be standardized. Thus, by way of illustration, green, wax and lima beans, beets, cabbage, carrots, cauliflower, corn, peas, tomatoes, pumpkin, sauerkraut, spinach and succotash, must be packed in 8 oz., 16 oz., 28 oz., 48 oz., and 105 oz. tins. This compulsory standardization covers also fruits—applesauce, apricots, berries, cherries, fruits for salads, grapefruit, peaches, pears, plums, prunes and rhubarb: they must be packed in these sizes—8 fluid oz, 16, 28, 48 and 105's. In jams, preserves, jelly and marmalade, net weights must be 3, 8, 12 oz.; 1 lb, 2, 4, 6 or over.

This standardization in combination with standard grade markings will be of very definite advantage to consumers. An informed article in the current issue of Canadian Grocer reviews the discussions which have taken place over the years in regard to this particular matter.

• • •

A Drop of Ink

A drop of ink may make a million think—but not about the drop of ink. There is quite a fascinating story about ink in the current issue of Canadian Printer and Publisher. It is a sort of bridge, spanning the past 500 years—from the days of Gutenberg, whose epochal achievement in inventing movable type is having its 500th birthday celebrations this year, to the present day.

The printers of 500 years ago used an ink made from vegetable oils and pigments ground therein, and the ink, when pressed on paper, dried by oxidization—a slow business. Today we want ink to dry on the sheet instantaneously; the economies of the printing industry will hardly allow printing ink a fraction of a second to dry. The ink must be liquid, of course, to begin with, yet it must become hard—a sort of film—the moment it touches the paper—and there is a calculable interval of time between the moment the ink is transferred from the inking roller to the surface of the type or engraving to the paper.

The ink must dry—by evaporation—in a space of time measured by thousandths of a second. Do you wonder that today ink has its technologists? Do you wonder that a vast amount of scientific research is forever going on in the laboratories of the makers of printing inks?

Industry, in its fundamentals, is romantic in the extreme, and need never be a dull, routine, unimaginative enterprise.

• • •

Lifebuoy

Hundreds of thousands of wage earners in Canada get bogged with debt, and do not know how they can get out of their bad situation. Do they know about membership in a credit union? This way of escape is very plainly described in an article by Leslie Garden, "Thrift by Co-operation," in the current issue of Maclean's Magazine. A credit union, says Mr. Garden is a co-operative loan society which in large part does the type of business that the chartered banks do not desire. It is an organization in a church, lodge, or other group that encourages thrift, and helps its members through their financial difficulties with low-term—and long-term—loans, and, where necessary, guides members toward a business conduct of their own and family affairs.

In Canada there are about 750 of these groups of small income men and women, representing something like 120,000 farmers, miners, fishermen industrial and office workers, civil servants, school teachers, and so on. Credit union members have doubled in the past five years, and the number of societies operating has practically doubled in the same period.

Here's the tribute of one man who had become enmeshed by debt and a victim of loan sharks. "The credit union took my affairs in hand. In some cases it made cash settlements with my creditors, thus reducing the total debts by $100. The balance of my debts it gradually eliminated. I'll be all clear in less than a year, and in the meantime I'm sleeping at nights."

If you know of any small income person submerged in debt, direct him to this article in Maclean's Magazine. It may be a lifebuoy for him.

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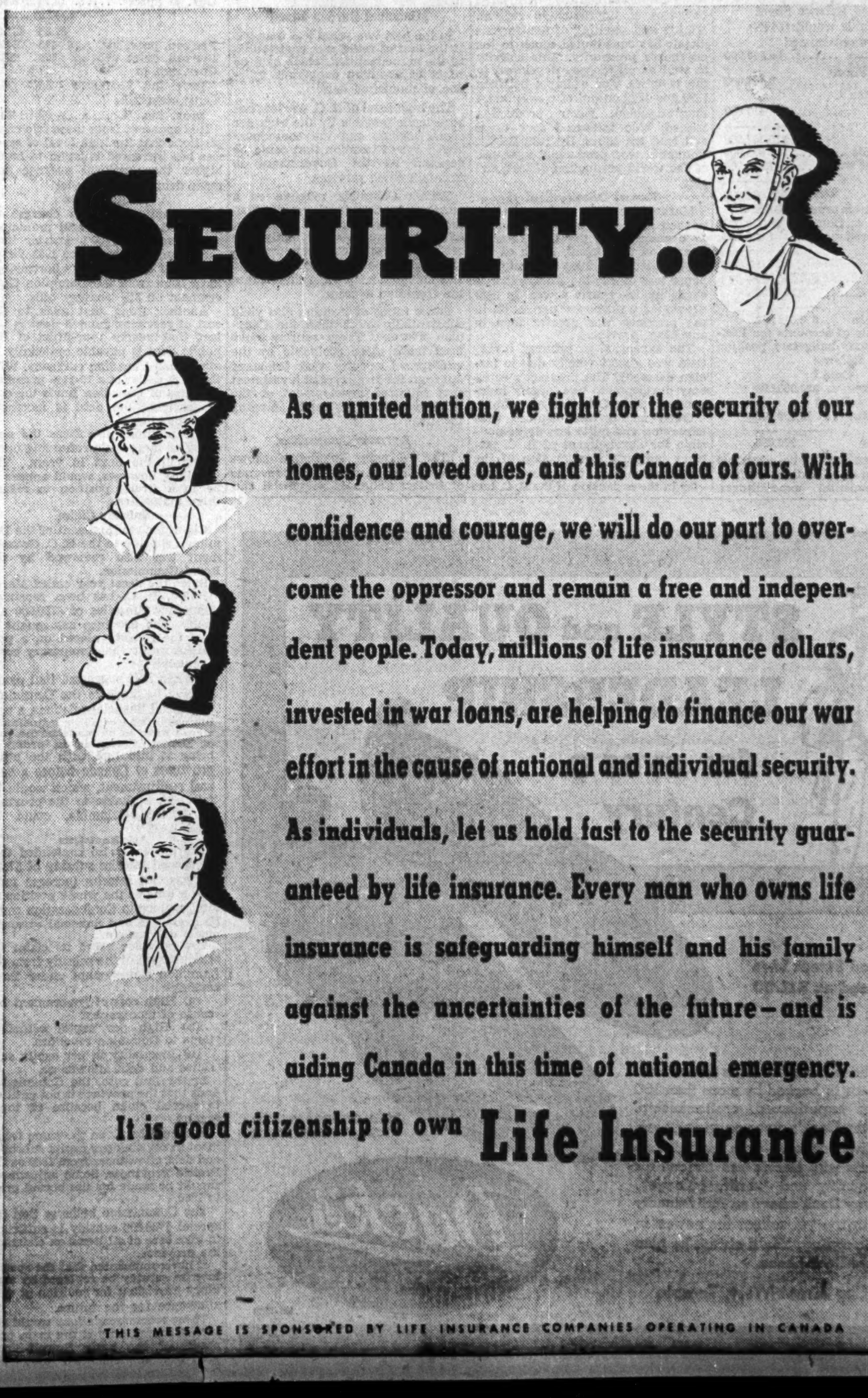
SECURITY..

As a united nation, we fight for the security of our homes, our loved ones, and this Canada of ours. With confidence and courage, we will do our part to overcome the oppressor and remain a free and independent people. Today, millions of life insurance dollars, invested in war loans, are helping to finance our war effort in the cause of national and individual security. As individuals, let us hold fast to the security guaranteed by life insurance. Every man who owns life insurance is safeguarding himself and his family against the uncertainties of the future—and is aiding Canada in this time of national emergency.

It is good citizenship to own Life Insurance

THIS MESSAGE IS SPONSORED BY LIFE INSURANCE COMPANIES OPERATING IN CANADA

B. C. Natural Resources Found Key to Finances

This is the third of a series of reviews outlining the effect on the individual provinces of adoption of the Rowell-Sirois recommendations.

Because British Columbia depends so largely on the export of primary products, some of them of the wasting variety, the province inevitably has hanging over it the threat that some day these resources may be exhausted.

This is the fundamental problem for which the Rowell-Sirois Commission report offers an answer.

Application of the report's recommendations is predicated upon future needs, not upon the position of the province now which is relatively good. The Royal Commission survey envisions the time when declining revenue would be insufficient to meet rigid and high overhead costs of government.

Indeed, the economy of the province is vulnerable as was proved by depression of the early 'thirties. The plan provides for maintenance of services at average Canadian levels in a recurrence of depression.

Living on Capital

High provincial income and high taxation have given British Columbia a much better than average standard of government services. But circumstances might in the future force a restriction of income and standards. The Commission warns:

> "To an important extent the province has been living on its capital, and it can scarcely be expected that the fortuitous coincidence of economic events of the last two decades which proved so stimulating and advantageous to British Columbia will be repeated. The necessity for amortizing debt incurred for development projects, and particularly for those such as the Pacific Great Eastern which have already proved ill-advised and unproductive, before the best of the resources are exhausted, is clear

High Government Costs

> "The high and apparently rigid character of governmental overhead costs will be a serious liability when resources are depleted, particularly as the present revenue system, which has been so strikingly productive in recent years, would in these circumstances be seriously crippled. However, in the meantime British Columbia residents have the advantage of better education and better communal services than has the average Canadian citizen, and they have shown a willingness to maintain these standards by submitting to higher than average taxation."

Using 1937 as a base year, the Commission sees the plan working as follows:

Proposed Balance Sheet

British Columbia would GAIN:	
Net debt service assumed by Dominion	$6,540,000
Relief assumed by Dominion	3,408,000
Savings on tax Collection	415,000
	$10,363,000
Sinking funds	853,000
Capital relief works	1,335,000
	$12,551,000
British Columbia would LOSE:	
Taxes trans. to Dom.	$8,278,000
Subsidies foregone	1,625,000
	$9,903,000
Gains	$12,551,000
Losses	9,903,000
Net Gain	$ 2,648,000

On the basis of accounts for 1936-39 the province's budgetary position would be as follows:

Credit	
Prov. Rev.	$20,000,000
Debit	
Expendts.	19,100,000
Surplus	900,000

This surplus would be available for expansion of education, welfare, and developmental expenditures, directly or through municipal subsidies, and for reduction of taxation.

Denied Adjustment Grant

In addition to the gains shown above accruing to the province the municipalities would benefit to the extent of $760,000.

In choosing the year 1937 upon which to estimate the working of the scheme it is pointed out that the year was relatively prosperous, and that selection of a less favorable period would increase the benefits to the province.

In less prosperous years the province would gain and the Dominion lose more than presented by calculations based on 1937. Transfer of taxes to the Dominion Government are well above national average. This fact improves the province's position, when it is remembered that other years would have been considerably less favorable.

In view of the foregoing figures, the Commission concludes that the province does not need a National Adjustment Grant; that it would be possible without the grant to maintain the present standard of services above average and bring up development and conservation expenditures to predepression levels on the basis of provincial taxation, which would be slightly lower than the Canadian average.

Mining Rebate

An additional saving of between $4 millions and $5 millions would be made because of the fact existing taxation rates are much higher than national rates on the taxes to be transferred.

The 10% mining tax rebate is an important item. In fact, next to Ontario it is the most important consideration to any province. The province would still be dependent therefore upon this volatile source of revenue to the extent of the rebate.

The province possesses one of the highest standards of living, governmental services and highest income in the Dominion, the Commission finds, established largely by the province's rich natural resources. However, over the long-term view this extremely favorable position would deteriorate considerably.

Wasting Assets

For one thing many of these resources are of a wasting character. Continuance of income for many years at this higher-than-average level is probable but depletion of resources or shifting export conditions might well alter the whole picture for the province.

The province's strong current position has been built upon export markets and a few specialized products, such as lumber, metals and fish. Its income is, therefore, highly vulnerable and subject to fluctuation.

Rich assets of metals and pulpwood resources contrast with large expanses of unproductive regions. Mining and smelting of non-ferrous metals has contributed much to the province's prosperity. This activity as well as others was developed in the twenties. For example between 1920 and 1929 output of copper more than doubled; silver production tripled; zinc increased four times and lead ten times. By 1930 British Columbia was producing one-tenth of the world production of lead and zinc.

Export Development

Market for pulp and paper expanded in the twenties in response to demand from the U. S. Pacific Coast and the Orient. Much of the development of mining and pulp and paper was due to the availability of cheap hydro-electric power. In 1929 developed waterpower per capita in the province was greater than in any other province.

The expansion in primary industries was almost wholly due to foreign demands. The province's economy development was largely independent of the Canadian economy.

Other factors were coupled with expansion and quite largely responsible for development of B. C. primary industry. Construction of the Panama Canal was an important factor in the expansion of the B. C. lumbering industry. Prior to the joining of the Atlantic and the Pacific through the Isthmus, high cost of transportation practically excluded B. C. lumber from world markets. Less than one-fifth of lumber output was exported. Sales in the Prairie Provinces were the mainstay of the industry. By 1929 this condition had changed materially, until one fourth of the province's lumber production was marketed on or destined for the Atlantic coast.

Vancouver Growth

Regional equalization of freight rates in the post-war period was also of importance. Decrease in grain rates increased the area in Alberta and Saskatchewan from which wheat could be profitably shipped via the Pacific coast.

These factors were responsible for the rapid growth in the exporting business of British Columbia and the building up of Vancouver as a great West Coast shipping port. As a result Vancouver grew to be the third largest metropolitan area in the Dominion. Population rose during this expansion period by 50% in 1921-31.

Following the era of rapid expansion the vulnerability of the province's economy was forcefully demonstrated. In the world depression unemployment became chronic. Export markets were drastically curtailed, leaving primary industries which had been built up on this business in dire straits.

Relief Concentrated

The large programme of expansion in the province also brought other unfavorable repercussions. Because of the large amount of construction that followed the boom on the west coast many were drawn into this activity. When the investment boom collapsed unemployment of this class of worker was particularly high. Difficulties were accentuated by the fact that a large amount of building activity was concentrated in the Vancouver area, which contains about half of the population of British Columbia.

Migration to the mild west coast climate of Prairie workers also intensified the unemployment relief problem. Per capita unemployment expenditure in British Columbia during this period was the highest in the Dominion, with the exception of Saskatchewan.

Because none of the cost of unemployment relief was met out of current revenue in the first half of the period public debt rose rapidly. By 1933 credit of the province and municipalities was virtually exhausted. Loans had to be obtained from the Dominion Government. Municipalities were aided by the province assuming a larger portion of relief costs than in other provinces.

Municipal Burden Eased

In the past two years less than 9% of the cost of relief was contributed by the municipalities, which had the effect of avoiding dangerous inflation of municipal debt.

The high level of B. C. services has been made possible by the high per capita income and the consequent high level of taxation that could be imposed by the Government to maintain these services.

British Columbia revenue on a per capita basis is much greater than the Canadian average. Richness of natural resources and the highly concentrated form of corporate organization have made corporation taxes and public domain yield three times the Canadian average.

Other forms of taxation also yield substantially more than the Canadian average. These sources have been made more profitable by the widespread activity that branched out from the large capital investment that followed development of the primary industries and shipping facilities.

Revenue Comparison

The following tabulation shows the much greater per capita revenue of British Columbia provincial and local governments than the Canadian average:

Revenue on Current Account

	$ Per Capita B. C.	$ Per Capita All Prov.
Real prop. taxes	26.11	22.60
Gas & vehicles	8.03	5.84
Public domain	5.88	1.90
Liquor	5.45	2.68
Miscellaneous	7.70	6.85
	53.17	39.87
Sales tax	....	0.57
Corporation	9.25	3.06
Pers. inc. tax	2.67	1.24
Succession duties	1.90	3.22
Total revenue	66.99	47.96
Dom. subsidies	2.16	1.91
Total	69.15	49.87

Expenditure Higher

The British Columbia provincial revenue in 1937 was almost one quarter more than in 1929. The dominating position of corporation taxes and public domain reflects the higher than average return derived from exploitation of British Columbia's natural resources.

The higher level of government services is also illustrated by the following tabulation of expenditure of both provincial and municipal governments:

Expenditure on Current Account

	$ Per Capita B. C.	$ Per Capita All Prov.
Net debt charges	14.37	9.52
Public welfare:		
Relief	6.09	5.45
Other	10.47	7.26
Education	12.47	9.78
Agriculture and public domain	2.53	1.86
Transportation	6.18	5.03
Gov. & miscel.	15.74	9.80
	67.85	48.70
Per cap. prov. inc.	$ 425	345
Per cap. outst. debt	379	291
Curr. exp. to prov. inc. %	16	14
Outst. debt to prov. inc. %	89	84

It is apparent from these two compilations that the high level of services has increased taxation to much higher than national average and made debt burden heavier.

Debt Mounts

Per capita net debt charges of combined provincial and municipal governments are 50% greater than Canadian average. Since 1933 virtually all of the province's borrowings have been from the Dominion Government on 3% treasury bills.

Another thing that adds to the cost of servicing funded debt is the fact that nearly four-fifths of the public debt is payable optionally in other than Canadian currency. With the U. S. dollar at a 10-11% premium in terms of Canadian funds the cost of servicing the debt is increased correspondingly.

The province also faces the necessity of large-scale refunding operations in the next 10 years. The province, however, would appear to be in a strong position to refund these maturities.

Subsidy Claim

Claim for readjustment of the Dominion subsidy to the B. C. Government was also reviewed by the Royal Commission.

Since the fiscal year ended March 31, 1935, B. C. has been receiving temporary subsidies of $750,000 annually. The province has sought to have the subsidy placed on a permanent rather than temporary basis. It contends:

> "When it is suggested that modification be made in the Dominion-provincial financial relations, a preliminary special readjustment would have to be made in the case of British Columbia in order to bring it into line with the other provinces of Canada before a general readjustment, which would be fair and equitable to the province of British Columbia, could be made."

Ask Revisions

The province also contended that the special interim subsidy of $750,000 was "an interim increase until such a time as the whole position of the Province in Confederation could be examined and financial arrangements determined."

The province based its claim for readjustment of the subsidy from the Dominion Government under three headings:

(a) High cost of government because of topography.

(b) High per capita contributions to Dominion revenues.

(c) Inequality in per capita subsidies and debt allowances.

In the first case, the Commission finds that the province is not entitled to special claim because of topography.

It should be given the same treatment in revising per capita subsidies and debt allowances from 1930 as the Prairie Provinces. Some adjustment should be made for the period prior to 1930.

The Commission believes that the special $750,000 subsidy is sufficient to take care of all items on claims of the province.

It is recommended that the special interim subsidy be replaced by statutory provisions for revision of debt allowance for the future.

These recommendations would apply, of course, only if the main proposals of the basic Rowell-Sirois plan were implemented.

B. C. Coal Operators Like Fuel Oil Ban

See Cottrelle Order Opening New Market — Oil Companies See Little Business Lost and Some Firms Anticipated it

From Our Own Correspondent

VANCOUVER.—British Columbia coal operators regard the order of Oil Controller George R. Cottrelle restricting the use of fuel oil as the first favorable "break" their industry has had in more than a quarter century.

In order to conserve foreign exchange, the oil controller has prohibited, with certain exceptions, the sale of imported fuel oil to new oil-burning plants.

Oil companies doing business in British Columbia have shown a cooperative attitude toward the new order; regard it as a reasonable move. They do not expect to lose important business at this time inasmuch as plants already established are not affected and household use of fuel oil may continue without interruption.

Some of the oil companies here actually anticipated the order by adopting a policy of not encouraging transfers from other fuels to oil for the wartime period.

Most Oil Used by Ships

British Columbia now imports between 600,000 and 700,000 barrels of fuel oil, most of which is used by deepsea ships which load in Pacific coast ports. Most of the big trans-Pacific liners take on their oil fuel at Vancouver.

If British Columbia cities continue to expand, the effect of the new order will no doubt have an important bearing on the B.C. coal industry. New hotels and apartment buildings and certain industrial plants to be built in the future would evidently be denied the use of fuel oil plants and would have to turn to coal.

Thirty years ago fuel oil was barely used at all in Vancouver, and Nanaimo and interior-mined coal was not only dominant in the domestic market but it was shipped as far north as Alaska and south to Mexico. The coal mine strikes of 1912, however, forced use of other fuels.

Never Regained Ground

Cheap Utah coal began to displace B.C. coal down the coast states and by the time Vancouver Island coal was available in volume, many industries had already experimented with oil and found it a desirable substitute.

Coal's long struggle dates from the strike era and it has never been able to regain much of the lost ground. Coal's sorry plight was largely responsible for the Macdonald investigation of several years ago which found that gasoline prices were being held at an artificially high level in B.C. in order that the oil industry could quote attractive prices for fuel oil and thus displace coal.

The oil industry disputed these contentions, but the Pattullo Government proceeded with its price-fixing programme.

There has been compromise since then, but the prices are still subject to government control. A new audit is now being made at the instance of the Government to determine whether the claims of the industry for an increase in gasoline prices due to rising wartime costs are justified.

Harding Carpets Elects New Director

Capt. C. Malim Harding, now in England with the Canadian Active Service Force, has been elected a director of Harding Carpets Ltd.

Capt. Harding fills a vacancy caused by the death of S. W. McKeown, Toronto. He is a son of the founder of the company.

Negotiate With Spain For Sale of Codfish

From Our Own Correspondent

MONTREAL. — Some encouragement is given to the Newfoundland fishing industry by an announcement of the chairman of the fishery board that the Island is engaged in negotiations with Spain for shipments of a large amount of Labrador fish.

Raymond Gushue, chairman of the fishery board, is reported to have stated that credit had been arranged for Spain in London and an important announcement in regard to the Spanish negotiations will be forthcoming in the near future. No statement of amount involved was given.

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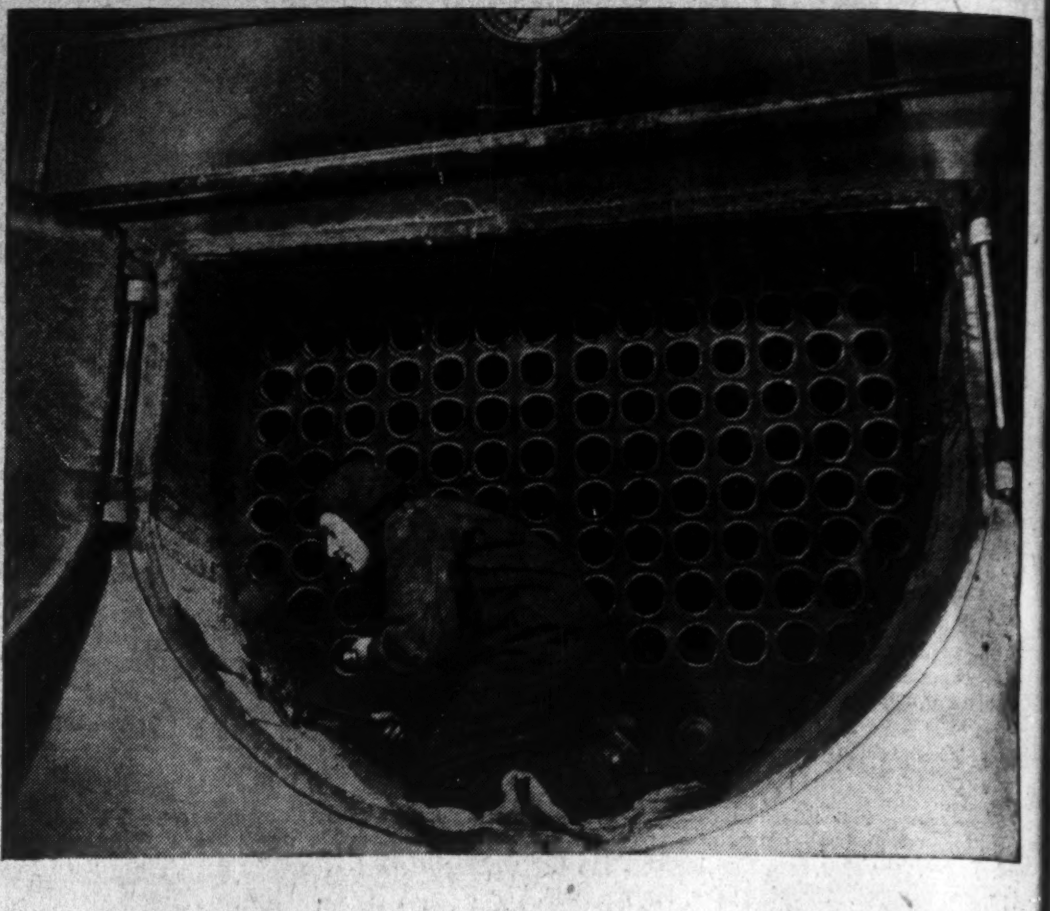

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N. B. Bonds

One of our clients has been advised to dispose of 4% New Brunswick bonds, due 1947, because of the reported unsatisfactory condition of the province's finances. What are your views on this recommendation?

Recommendation that your client dispose of New Brunswick bonds is probably prompted by the adverse trend of the province's finances in recent years. The province's budget for the current year has been the target for much criticism, inasmuch as it did not make an effort considered vigorous enough to retrench.

In the current year the greatest ordinary expenditure in the Government's history is contemplated. The budget revenue is at a record level, up $1.5 million from last year. To attain this figure it was necessary to impose four tax increases. Debt service and carrying charges will cost the province an additional $422,000. The increase was brought about by the province's extensive road programme and servicing its United States debt.

Notwithstanding the unfavorable trend of mounting revenue and expenditure the province budgeted for a small surplus this year. Capital expenditures have been drastically cut. Industrial activity and increased revenue will, in all probability, permit the province to reach its objective in revenue.

The situation is not such as to cause alarm over the province's obligations. At present prices, yield on the 4% bonds is quite attractive. There has never been any question of default. The province appears quite able to maintain payments on its debt. Continuation of this unfavorable trend, however, would eventually impair the province's credit position.

Legaré Co.

Kindly give what information you have regarding the Legaré Co. Are the 6% first mortgage bonds a fair investment?

The Legaré Co. is engaged in merchandising home furnishings, stoves, radios, washing machines, bicycles, farm implements and other articles of a similar nature in the Province of Quebec. It operates 36 retail stores, while 1,000 commission contract agents and 16 consignment stock agents are also located throughout the province.

The business was originally established in 1877 and so far as is known, is the oldest merchandising organization of its kind in Canada. The present interest took over operation in 1936. Prior to this the company had had a number of unsatisfactory years and bond interest was not earned in 1932 or 1933. No figures are available for 1934 or 1935.

Interest on 6% first mortgage sinking fund bonds has been earned by a fair margin during the past three years. Business conditions in the districts served by the company have shown further improvement this year and it is likely 1940 results will be better than the previous year.

The company lessened bond interest requirements by redeeming $15,450 principal amount during 1939.

It should be noted that bond interest is paid before taxes, so the increased corporation taxation which has come into effect in Canada this year will not affect bondholders of a company.

Consolidated Paper

How do you regard the purchase of common shares of Consolidated Paper Co.?

Operations of Consolidated Paper Co. are proceeding at high levels, and results for the year will be most satisfactory for some time.

While the effects of higher costs of raw materials, labor and working of the "excess" profits tax will contract profits to an indeterminate extent it is expected that earnings will reach high levels.

The company paid interest due July 2 on its bonds and debentures in common stock, according to provisions of the trust deed, which requires that working capital amount to $10 millions before interest is paid in cash. The effect of making payments in stock increases the common shares outstanding. It is probable, however, that future payments can be made in cash.

Candn. Marconi

Has there been any change in the capital stock of Canadian Marconi Co. since Jan. 21, 1929? Any information regarding the financial position and prospects of the company would be appreciated.

An initial dividend of 4% (four cents) a share was declared on the common stock of Canadian Marconi Co., payable June 1 to shareholders of April 1 this year. That is, if you held common shares of this company at April 1 you would be entitled to dividends of four cents on every share held. Registrar for the stock is the Montreal Trust Co., and the transfer agents are the Chartered Trust & Executor Co., both of Montreal.

The company is reported receiving a large volume of business, particularly from the Canadian Government for its war programme. In the first three weeks of July alone value of contracts placed by the Department of Munitions and Supply with Marconi amounted to $600,000. It is highly probable that the company will experience a very satisfactory volume of business this year.

The company's working capital position is strong. While some of its services were adversely affected by the outbreak of war, through the closing down of the Trans-Atlantic and Newfoundland-Canada Radio Telephone Services and restriction of other services, it is probable that other business the company is receiving will more than compensate for this loss. Possibilities of increased export business are also considered good.

Canadian Car

I would appreciate receiving your comments on Canadian Car & Foundry Co. preferred. Could this stock be recommended for speculative possibilities?

Recently Canadian Car & Foundry Co. has received much publicity through the placing of an order by the British Air Ministry for 600 Hurricane airplanes. The company has been working for some time on educational orders of this aircraft and it now appears that the company's facilities will be taxed to capacity in producing these for the British Government.

While this type of war business will step up the company's activities, the effect on earnings cannot be ascertained. They will probably be restricted by provisions of the contract, as in the case of all armament production on behalf of belligerent governments.

The company has on hand a fair volume of regular peacetime business, and it is expected the results for the year will be better than in 1939 when the company showed a net loss of $504,815, compared with a net profit of $1.2 million in 1938. Dividends were deferred on the preference stock with a quarterly payment due July 10, 1939. At July 10 this year, arrears amounted to $8.69 a share.

Speculative possibilities on the preference stock would be enhanced by these arrears and the possibility of a marked increase in earnings, but, generally speaking, the stock cannot be regarded as offering very great speculative attractions. Uncertainty over the operation of the "excess" profits tax also renders a prediction of the year's earnings hazardous.

United Steel

I should like any information you can give concerning United Steel Corp., particularly with regard to the stability and future outlook. Do you consider a holding of 6% preferred shares a fair risk? Why are they quoted only on the unlisted market?

United Steel Corp. makes a wide variety of steel products such as elevating and conveying equipment, power transmission machinery, hydraulic presses, structural steel, mining equipment and many others of a similar type. Through a subsidiary, Standard Steel Construction Co., structural steel, bridges and other construction projects are fabricated.

Sales have shown improvement in each of the eight months to the end of August this year. Cumulative total for the 8-month period is well ahead of corresponding year. While no forecast has been made as to profit, orders on hand indicate a high rate of operations for the balance of the year.

The company obtained authority early this year to issue up to $900,000 of bonds to retire a small first mortgage bond issue and purchase the remaining minority interest of Standard Steel Construction Co. No bonds have yet been issued under this authority, although the plan has not been abandoned.

Last year United Steel earned $5.04 a share on the class A, compared with $4.04 a share in 1938. In each of the four years for which consolidated income of surplus accounts are available, the company has earned the $1.50 a share annual dividend on the class A preferred at least twice. This dividend became cumulative in 1937 and has been paid regularly since.

The class A preferred shares have never been listed although the common is traded regularly on the Montreal and Toronto stock exchanges. It is presumed the stock has not been listed because of comparatively limited public interest in the shares. There are 22,429, $25 par, class A shares outstanding, representing a par value of $560,725.

Celtic Knitting

Will you kindly favor us with any information you have on Celtic Knitting Co.? We hold common shares of the company.

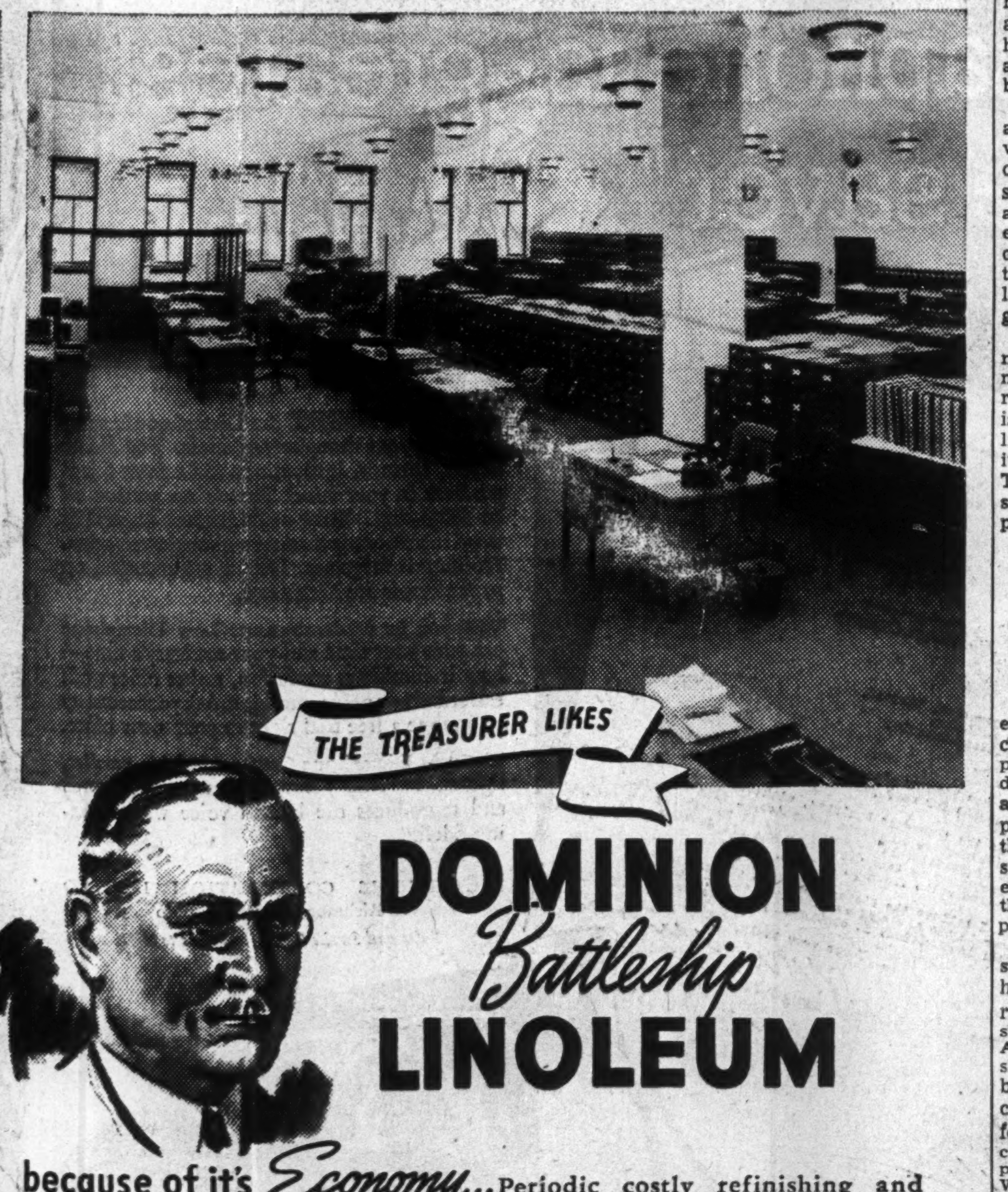
Celtic Knitting Co. has experienced somewhat better business in the current year than in 1939. The company manufactures women's, children's and men's silk, silk and wool and cashmere hosiery in the lower price field. Its products are not in the luxury line class and are less subject to fluctuating demand than expensive merchandise. It may, therefore, be reasoned that the company's sales should hold at fair levels.

The company has not shown substantial earning power, but profits have fluctuated in relatively small range. Outlook for the common shareholders is scarcely spectacular. An initial dividend of 15 cents a share was paid Sept. 1, but there has been none since. Profit available for common shareholders has been small for a number of years. In 1939 the common shares earned 23 cents, compared with 4 cents in 1938 and 1937. Working capital was strengthened in 1939. Given a similar increase in the current year, the company would appear to be at a point where a dividend might be paid, depending upon the company's policies.

Bell Telephone

What are the prospects for earnings of Bell Telephone Co. of Canada in the present year?

Bell Telephone Co. of Canada expects to earn and pay dividends on its common stock at the prevailing rate of $8 a share, according to C. F. Sise, president. He stated that taxes will be approximately $1.8 million during 1940, but the present outlook is that this heavy increase will be nearly offset by increased earnings and savings in interest charges resulting from refinancing of the series A first mortgage bonds.



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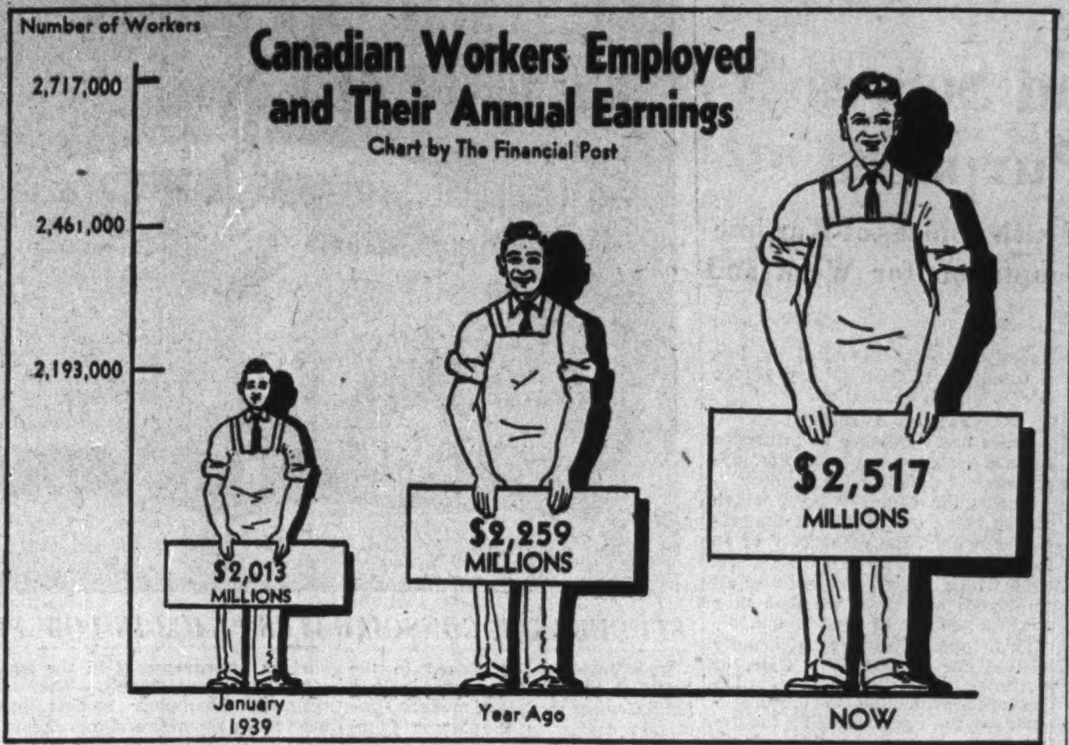

The Canadian worker's average wage is now about $926.39 compared with $917.92 a year ago.

National Steel Backlog Big

Working on 3 Aircraft Orders — 1800 Men on Staff

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. is working on three aircraft orders at its Malton plant, R. J. Magor, president, told shareholders at their annual meeting.

One of these orders is for 150 Lysander planes; the second, largely an assembly proposition, is for 119 North American training planes, and the third, through Canadian Associated Aircraft is for Hampden Bombers. Repair work is also being carried out. Approximately 1,800 men are employed in the aircraft division, 1,000 of whom are working on the Lysander order.

The Hamilton plant of the company recently has been making drop forgings of aluminum and steel alloys for airplanes. Both the British and Canadian Governments have approved these products. Some delay has been experienced because of lack of vital materials and the company is consequently behind in its schedule.

Car shop facilities have not been reduced to give precedence to new products. If anything, these facilities have been increased.

The company is anticipating a peacetime demand for aircraft which its war experience will enable it to fulfill. Recently the company received 55% of an order for rolling stock valued at $3 millions.

Employment and Wages Up Special Survey Shows

In a special survey made for The Financial Post it is estimated that there are now 2,717,000 persons at work in Canada earning at the yearly rate of $2,517 millions. This is the peak employment record for the nation to date.

Average wage or salary received per worker is now $926.39 compared with $926.11 each in January of this year, and $917.92 in August, 1939.

These figures compare with an average number of persons at work each month in 1939 of 2,344,000 persons earning at the average rate of $2,152 millions per year. The comparative figures for 1938 are: workers, 2,297,000 and wages, $2,297 millions.

Actual experience of nine large and representative Canadian industries with respect to wage staff and cost increases in the first year of war were recently presented to the Purchasing Agents Association of Toronto.

Results showed that average number of employees in Sept., 1940, as compared with the same month 1939 was up 26%, operating time up only a few hours a week but wages increased 10.6% and cost of raw materials up 11.2%.

	Number of employees % inc.	Operating days or hours per week Sept. '39	Sept. '40	Wage rates % inc.	Cost of raw materials % inc.	Buying ahead period
Forgings company	14.1	4	6-7	19.1	Total 17-19	8 mos.
War supply	25	5	6	20	15	6 mos.
Auto supply	14	6	6	2	10	3 mos.
Big steel	57	5	7	10	10.5	7 mos.
Ventilating equipment	50	5½	4	17.5	11.3	6 mos.
			2 shifts			
Rubber & tire	20	5	5½	7	9	6 mos.
Building supply	29.3	5	6	5	7.5	
Printing	1.5	5.5	5.5	4.5	9	4 mos.
	26.4	5.2	5.4	10.6	11.2	5.7

Nfld. Codfish Catch Higher to July 31

From Our Own Correspondent

MONTREAL.—Estimated catch of salted codfish in Newfoundland in the year to July 31 is higher than for the same period last year. The statistical division of the Newfoundland Fisheries Board estimates that the total catch of salted codfish amounted to 381,078 qtls.

This compares with 334,055 qtls. for 1939; 402,922 qtls. for 1938 and 374,488 qtls. in 1937. Deep sea fishery in the seven months period this year amounted to 100,131 qtls. and in shore fishery to 200,956 qtls.

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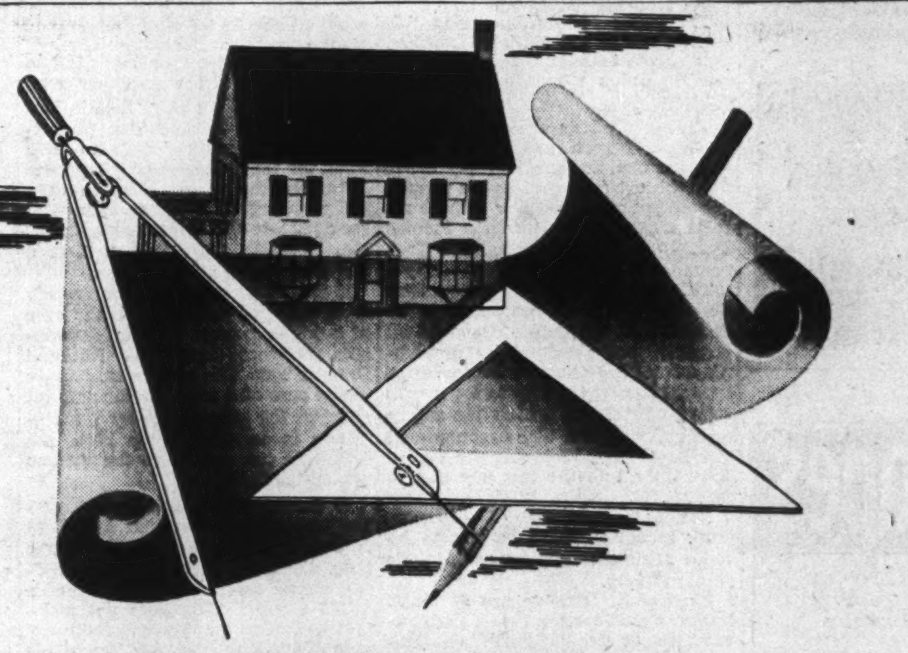

TODAY'S HOMES ARE BUILT FOR TOMORROW

MEN learn from experience to hold fast to that which is good. In home construction this rule applies particularly to the use of materials which have proved their worth by retaining their beauty and efficiency through years of hard service, with a minimum of cost for replacement or repair.

Copper and its alloys, throughout the years, have enjoyed constantly widening use because their resistance to corrosion and long life provide service which is an outstanding economy. And today, more than ever before, the value of the "red rustless metal" is recognized by homeowners, builders, architects and financing institutions, as witnessed by the constantly increasing tonnage of copper used every year in building.

This great tribute finds its concrete application in copper and brass water pipe and heating lines, in copper flashings, gutters and roofs, in hardware and lighting fixtures, in windows and screens and water tanks. Parallel to the great increase in demand for copper in regular building construction, more hundreds of tons are being utilized each year for air-conditioning equipment.

Foremost in the fabrication of copper and its alloys is Anaconda American Brass Limited. Its modern mill at New Toronto, Ontario, and more than 1,300 Canadian workers are at your service — ready to supply you with copper, brass, bronze and nickel silver . . . in all forms of sheets, rods, tubes and drawn and extruded shapes that are used by the building as well as manufacturing industries.

COPPER—*A Basic Industry*

Copper is one of those basic industries through whose development Canada has prospered greatly. Essential though copper is today to every activity of modern man, much is yet to come. Through continued research and constantly improving methods, the "red rustless metal" may be expected to contribute in still larger degree to a more widespread standard of better living.

ANACONDA Copper and Brass

Anaconda American Brass Limited
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Main Office and Mill: New Toronto, Ont. Montreal Office: 939 Dominion Square Building

LEDGER
STATEMENTS

From the Records

Facts FOR THINKING MEN AND WOMEN

..Last year 18% of Sun Life death claims were paid within 5 years of policy issue date..

SUN LIFE of CANADA
HEAD OFFICE • MONTREAL

The
WAWANESA
Mutual Insurance Company

Assets Exceed	$2,600,000.00
Surplus	1,330,363.89
Dominion Govt. Deposit exceeds	1,000,000.00

Wawanesa ranks 1st against all Companies operating in Canada on Net Fire Premiums Written according to Dominion figures for 1939.

Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
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MARINE—Policies designed to indemnify for transportation incidents of loss to goods while being water borne or land conveyed; in addition a multiplicity of broad forms of Personal Property, Fur, Jewelry, Bailees Liability Floaters and Registered Mail.

CASUALTY—Policies viewing a wide range of contingencies to be financially guarded against, such as Accidents, Burglary, General Liability, Health, Plate Glass and Surety, all attuned to present day needs.

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Fire and Casualty Insurance

Fidelity Bond Serves Important Purposes

Larger Payrolls and Heavier Stocks of Wartime Activity Increase Temptation for Weak and Dishonest Employees

Increased volume of business due to war orders has resulted in a much larger need for fidelity insurance, giving protection against loss caused by the unfaithful performance of duties by any person in a position of trust.

Inventories are heavier, payrolls are larger, more cash is required for the carrying on of business. These conditions and the increased tempo of the average office in wartime mean that a dishonest member of the staff has a better chance of defrauding his firm without risk of immediate detection.

Most employers dislike thinking that one of their employees might defraud them. Fortunately there are many more honest employees than dishonest ones. But the dishonest ones are numerous enough to make the average businessman sleep more easily if he knows he is protected against financial loss should his cashier, one of his salesmen or any member of the staff in a position of trust yield to temptation.

The situation is very similar to that affecting fire insurance. Only a comparatively small number of houses in a community burn down or even are damaged by fire. But the number of fires that do occur is sufficient to make most of us feel that we want fire insurance.

Difficult to Detect

Theft by an employee is often one of the most difficult crimes to detect. One reason is that the defaulter is usually trusted. The employee who is not trusted is generally discharged early in the game or else he is placed where it is felt he can do no harm. But even there it is possible for him, through his knowledge of the plant, office routine, working hours, etc., to steal if he wants to or help some outsider to do so. It is relatively easy for him also to conceal the theft and often it is not discovered for a long time.

Ten times easier, however, is it for the trusted employee to put something over if he is that kind. He has access to the firm's books, cash and vaults. He knows what securities or other property will not likely be missed for a long time. Nobody suspects him until the loss is discovered. Then it may be too late to obtain restitution.

Policies Available

There are a number of insurance policies designed to protect employers against defaulting employees.

One is the ordinary bond which can be taken out to protect the employer against the dishonesty of an individual. Then there is the blanket bond which is designed to cover all employees of a firm whether they are in a position of trust or not.

This type of policy is usually written for $25,000 at a time, or multiples of that figure. It gives the employer protection to the maximum amount against loss by the defalcations of any member of his staff.

Insurance of this kind is especially useful where there are a number of employees who all may have the opportunity of stealing company's property, although none is in a special position of trust. Indemnity bonds of this class usually limit the protection to losses sustained after the policy is written. They also require that the loss must be discovered within so many months after the fraud or theft is committed. They do not cover losses sustained before the policy was taken out.

Protection for Past Frauds

A type of bond is available, however, which gives the employer protection no matter when the loss occurred.

It does not require that the loss must be discovered within a certain time. This proviso, it was felt, made the policy of little value to the employer as often a considerable period elapses between the time of a loss and its discovery. This newer type of bond enables an employer to take out a policy and be protected against loss which may have occurred years before. It can also be written to cover an individual employee even after he leaves the firm to take another position.

Employees are no more dishonest than any other class of people, but when they are, the employer suffers. Fidelity bonds offer the employer protection against loss at moderate cost.

Are You Collecting Tax For Maid or Chauffeur?

Employers of Domestic Help Must Include Value of Board and Lodging With Wages When Remitting Tax

Thousands of Canadians this month, under the National Defense Tax regulations, paid income tax to the Dominion Government for the first time.

The exemptions allowed, $600 for a single person and $1.200 for a married one, are considerably lower than those for the income tax proper.

Consequently the new impost affects many people hitherto income tax free as far as the Dominion Government is concerned.

This tax, in the case of persons drawing salary or wages is to be deducted at the source where at all possible, and remitted by the employer to the District Inspector of Income Tax by the 15th of the month following that in which the salary or wages are paid. The first payment due September 16 covers the period from July 1 to the last pay day in August.

Among employers of domestic help, however, there is said to be some misunderstanding as to their responsibility.

Everybody employing a maid, butler, chauffeur, etc., on a permanent basis, or a charwoman, laundress or gardener by the day, should collect any National Defense Tax due on the wages paid. In such cases, a valuation of board and lodging supplied should be added to wages to determine the full income for tax purposes.

Take, for instance, the case of a maid living in the house. Subsistence supplied should be regarded as part of the income. Valuation of the board and lodging supplied is left to the discretion of the employer, who is expected to be fair. Regulations issued by the Income Tax Department submit values of $3 to $6 a week for the guidance of employers. Naturally the accommodation of a girl working in a house where she has a private sitting-room, bathroom, etc., is worth more than that of a girl sleeping in an attic room.

If wages, plus subsistence, have a total value of over $600 in the case of a single person without dependents, she would have to pay National Defense Tax. The same would apply in the case of a man. If the amount charged for subsistence by the employer is considered too high, the employee can appeal to the income tax authorities.

In the case of married employees the employer is required to collect National Defense Tax at the source only when the income paid including wages and subsistence exceeds $1,200 a year. This does not mean that a married employee is definitely free of National Defense Tax if his or her income is less than $1,200 a year. It simply means that if the employer does not pay him or her over $1,200 in the 12 months he is relieved of collecting the tax.

The regulations say that where a husband and wife are each receiving an income exceeding $600 a year, each must pay tax. If the income does not exceed $1,200 annually they make out their own return at the end of the year and pay the tax required. But that does not concern the employer. He is interested only when he pays more than $1,200.

If husband and wife are both working for the same employer, it makes no difference. The husband might be a chauffeur getting $1.800 a year. The wife might be cook getting $720 a year. The employer considers each one singly and collects tax from the chauffeur because he is getting over $1,200. But the employer collects no tax from the married cook.

Then, in the case of a day worker such as a laundress or gardener who is paid, say $2.50 per day, much is left to the judgment of the employer. If meals are furnished they should be considered part of the wage for National Defense Tax purposes. At 25 cents a meal this would mean a total daily wage of $3.

The employer must estimate whether the daily rate is such as would in a year of say 300 working days exceed the exemptions of $600 and $1,200 for a single or married person respectively.

Thus $3 a day for 300 days would mean $900 a year, making a single person liable to tax but not large enough to affect a married person. The employer would deduct tax in one case for the day or days the employee worked for him. The other case he would ignore.

The exemptions allowed a married person include, in addition to the $1,200 noted, $8 a year off the tax payable for each dependent child. If, however, a husband and wife are employed and each earning wages while both are exempt $1,200 of their income as married persons, only one can claim exemption for the children.

A single person who maintains a self-contained establishment and supports there a blood relation wholly dependent on him is also entitled to $1,200 exemption as a householder.

When no Lodging Supplied

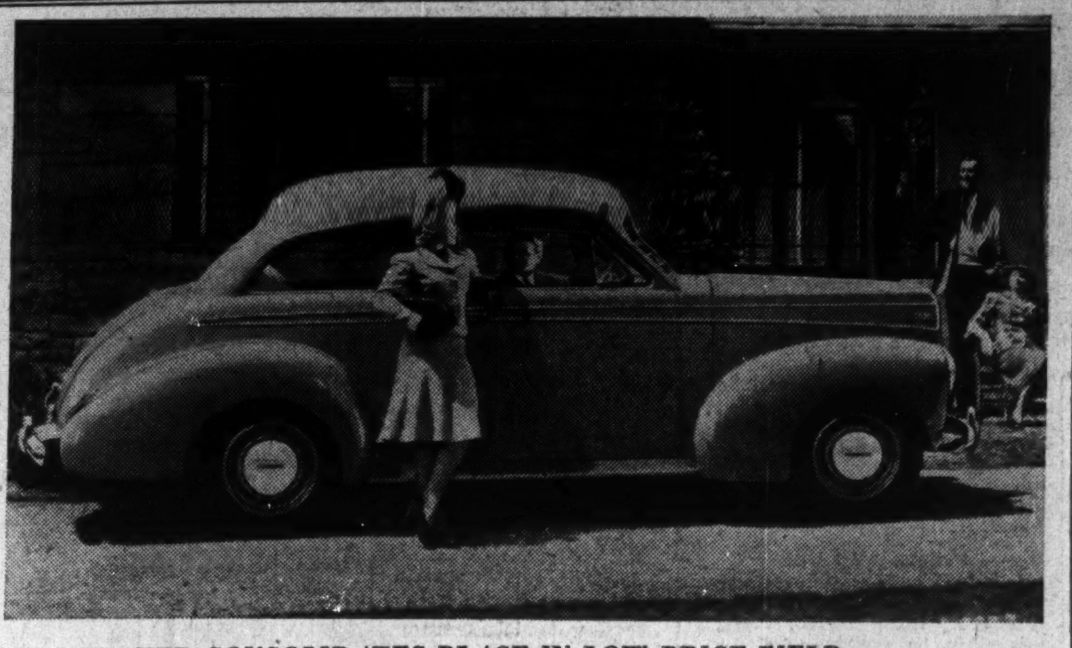
When a woman sleeps out and comes in to work by the day, payment of National Defense Tax depends on whether her total income including any meals supplied comes to over $600 a year. As a usual thing, the regulations state that employers are not required to deduct tax at the souce where total wages or salary exclusive of subsistence paid during any one week do not exceed $8.

Hired men on farms come under the same regulations. Subsistence has always been regarded as income for tax purposes. Thus in the case of a nurse supplied subsistence in a private home or an institution she has usually been assessed so much a day as income for tax purposes.

It is specifically provided, however, in the regulations, that the National Defense Tax must not bring the net income of a single person below $600 or that of a married person below $1,200. This may mean an extra headache for the employer.

Suppose you pay your maid $610 a year, including wages and subsistence. National Defense Tax of 2% on this would be $12.20. If you deduct this from $610 the maid has $597.80 left. This is less than $600. So the income tax authorities take only the $10 and the maid gets the $600 which makes her income taxable.

Deductions from domestic servants wages for National Defense Tax may be made whenever wages are paid—weekly, fortnightly, monthly, etc., at the discretion of the employer. But they must be remitted each month as above. Employers forwarding the tax fill in a form N.D.T. 2 supplied by the Government through the post office, banks or local income tax offices. This form is sent in with the remittance to the District Inspector. The latter when returning the receipt sends a form for the next month.



STUDEBAKER CONSOLIDATES PLACE IN LOW PRICE FIELD

New features introduced in the 1941 line of Studebaker cars include Land Cruiser models of modern slipstream design in the larger Commander and President series, and various improvements in the small car Champion models. The six-cylinder Champion models have been made roomier and more powerful while still designed with minimum of deadweight. Changes in the L-head engine permit faster acceleration and raise the rating to 80 h.p. Model shown above is the Champion two-door club sedan.

Life Sales Up For 12 Months

Increase of Almost 2% Shown in First Year of War

For the first year of war, Canadians and residents of Newfoundland bought ordinary life insurance totalling $375.1 millions, a gain of $6.5 millions or almost 2% over the preceding 12 month period.

For the first eight months of 1940, sales were $241.1 millions an increase of nearly 4%.

Sales in August, however, at $24.7 millions were about 7% under those for August a year ago.

The figures are compiled by the Life Insurance Sales Research Bureau and released by the Canadian Life Insurance Officers Association. They include ordinary insurance written by 18 companies having 84% of the business in force in Canada. They are exclusive of group and wholesale insurance, annuities, pension bonds without insurance, reinsurance, revivals, etc.

Life Insurance Sales in Canada and Newfoundland

	August		
	000's of $		Change
	1940	1939	%
Alberta	1,029	1,180	—12.7
British Columbia	1,763	2,153	—18.1
Manitoba	1,381	1,519	—9.0
New Brunswick	774	679	+13.9
Nova Scotia	1,188	1,087	+9.3
Ontario	9,980	11,348	—12.0
Prince Ed. Island	233	137	+70.0
Quebec	6,969	7,334	—4.9
Saskatchewan	796	693	+14.8
Newfoundland	585	364	+60.7
Total	24,698	26,494	—6.8

Sales by Months, 1937-1940
(000's of $)

	1937	1938	1939	1940
Jan.	27,789	31,287	28,767	33,726
Feb.	30,619	31,796	29,202	31,820
Mar.	32,322	33,461	31,710	30,265
Apr.	32,562	30,612	26,357	32,248
May	31,916	31,016	30,123	31,779
June	37,908	35,660	32,226	28,530
July	32,040	30,635	29,902	28,159
Aug.	28,411	28,446	26,494	24,698
Sept.	27,730	27,928	37,117	.....
Oct.	33,416	32,372	34,677	.....
Nov.	38,020	37,167	36,062	.....
Dec.	37,125	36,475	36,692	.....

Life Insurance At Work

Some years ago a young man with $5,000 insurance, at the suggestion of an agent took out another $2,000 as a sort of clean up fund. He had a wife and three small children. The wife had an income of $25 a month from her father and the husband estimated that she could get along if she had an additional $50 a month until the youngest child was 21. He had a large summer cottage and in making his calculations he took into consideration the possibility of his wife taking roomers there.

He paid the first two premiums on the new $2,000 policy but the third went under automatic premium loan. Before the fourth was due he died.

His death was sudden and there were no last illness expenses to pay. An advance payment of $900 was made for funeral and other immediate expenses. The wife then did some figuring herself and arrived at the conclusion that taking her father's allowance and the revenue-producing possibilities of the summer cottage into consideration she would require $45 a month to carry on till the youngest child became of age.

By arranging that her husband's insurance be paid in monthly installments according to the plan worked out by the deceased and the agent, it was possible to do this. In addition when the youngest child is 21 there will be nearly $1,000 left.

Insurance Problem

Pilot Insurance

Please give me a report on the position and standing of the Pilot Insurance Co. Is it a reliable company to do business with?

The Pilot has head office in Toronto and began business in 1927. It operates in Ontario and Quebec under provincial license, and maintains deposits with the provincial departments of insurance for the protection of policyholders.

Total assets according to the last balance sheet were $841,563 and total liabilities excluding capital, $375,808. This leaves a policyholders' surplus of $465,563. Paid up capital was $270,023 so that net surplus was $465,732.

The total premium income in 1939 was $574,504 and losses $231,181.

Give Odd Reasons For Policy Lapses

Survey Shows Lack of Income Chief Cause, However

A survey made recently in the United States as to why life insurance policies lapse revealed that lost jobs, cuts in income and business depression are the chief reasons for lapsed policies.

It also showed, however, that many policies are allowed to lapse for strictly personal reasons many of which are difficult for the ordinary person to understand.

A farmer who had bought insurance through his banker became angry when a cheque he gave in payment for a premium was returned marked "insufficient funds."

He got even with the perfidious insurance agent by allowing the policy to lapse.

A young man who had bought a motorcycle allowed his life insurance policy to lapse because, he said, all he now needed was accident insurance.

A lonesome man gave up his regular life insurance policy to take out one in a fraternal organization because it enabled him to attend lodge meetings.

A man who sold automobiles took a dislike to his insurance agent when he learned that the agent had bought a car from somebody else. He showed the fellow what was what by refusing to pay when the annual premium on his life insurance next became due.

Montreal Life Creates Record in September

From Our Own Correspondent

MONTREAL.—New business written by the Montreal Life Insurance Co. for September reached a point surpassing that attained in any other month in the company's history, according to H. B. Wickes, assistant general manager. During the month a special campaign was conducted in honor of the president Arthur P. Earle, who was celebrating his 60th birthday.

GOULDS DIVIDEND

Goulds Pumps, Inc., declared a dividend of $1 a share in U. S. funds. Payment is to be made Oct. 1, 1940, to shareholders of record Sept. 20. A similar payment was made July 25 of this year.

After taking the October payment into account, arrears will amount to $44.27 a share.

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ASSURANCE COMPANY

maintains

Assets in Canada

greatly in excess
of the reserves
required by the
Canadian Government

Established in Canada 1833

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Insurance Company
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"Dictaphone is greatest time saver" writes INSURANCE EXECUTIVE

MILL OWNERS MUTUAL FIRE INSURANCE CO. OF IOWA
Hamilton, Ontario
May 30, 1940

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Yours very truly,
J W Watters
Assistant Manager for Canada.

J.WATTERS/LB

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DICTAPHONE

Banking

War Brings Shrinkage In Demand Loans

Decline in Both Borrowings by Brokers and Call Loans Made by Chartered Banks Quickened Since May

While commercial loans of the chartered banks in recent months have been showing substantial increases over last year, call loans have been declining. The resulting shrinkage in bank earnings from the latter source will probably offset to some extent the expansion in revenues from the higher commercial loans.

The latter which are lragely loans to trade and industry for stated periods of 30 days or over, are the main source of a bank's revenues. Call loans while forming a considerably smaller part of the bank's total investments have, in former years, however, been quite an important source of income.

These call loans, as their name implies, are technically subject to immediate termination by either the borrower or lender. They are, however, divided into two classes as loans on sharp or slow call. The latter are not admitted by some authorities to be call loans of the orthodox type. As most of the loans in Canada are of this kind, it is sometimes said that Canadian call loans are not call loans in the exact sense.

These call loans whether of the sharp or slow-call type are generally made in good volume when stock exchanges are active. People buying stocks or bonds for investment or speculation may pay for them outright out of their own funds. Often, however, they only pay part of the purchase price with their own money, borrowing the balance either direct from the bank themselves or from their broker who in turn borrows from his bank.

Security Required

They are usually made by the bank on security of:

Salable stocks and bonds, the value of which must be kept at all times a stated percentage above the loan.

The financial responsibility of the broker.

The financial responsibility of the broker's client who, having invested a certain amount in the securities concerned, is likely to make a strong effort to maintain his margin rather thhan have the trade closed out and his margin lost.

The rate of interest varies with the nature of the security, being lower on gilt-edged issues such as government bonds and higher on stocks of a more or less speculative nature.

Reach Peak in 1929

In Sept., 1929 just before the stock market crash, call loans in Canada of the chartered banks were over $280 millions, a figure which has not been reached since. From that time, there was a steady decline to $73.7 millions in Oct., 1935. From this point there was a moderate recovery which lasted till the fall of 1937. Since then the trend has been irregularly downward.

Trend of these loans is shown in the accompanying chart.

The following tables show the borrowings reported by members of the Toronto and Montreal stock exchanges and the call loans made by the chartered banks in Canada in the first ten months of the war and the corresponding months a year before.

Call Loans in Canada
Millions of Dollars

	1939-40	1938-39
September	51.1	60.1
October	53.4	66.1
November	55.5	63.9
December	52.8	64.8
January	47.7	62.6
February	56.6	60.4
March	51.8	55.7
April	54.0	54.4
May	44.3	55.1
June	39.0	52.4
July	38.4	51.2

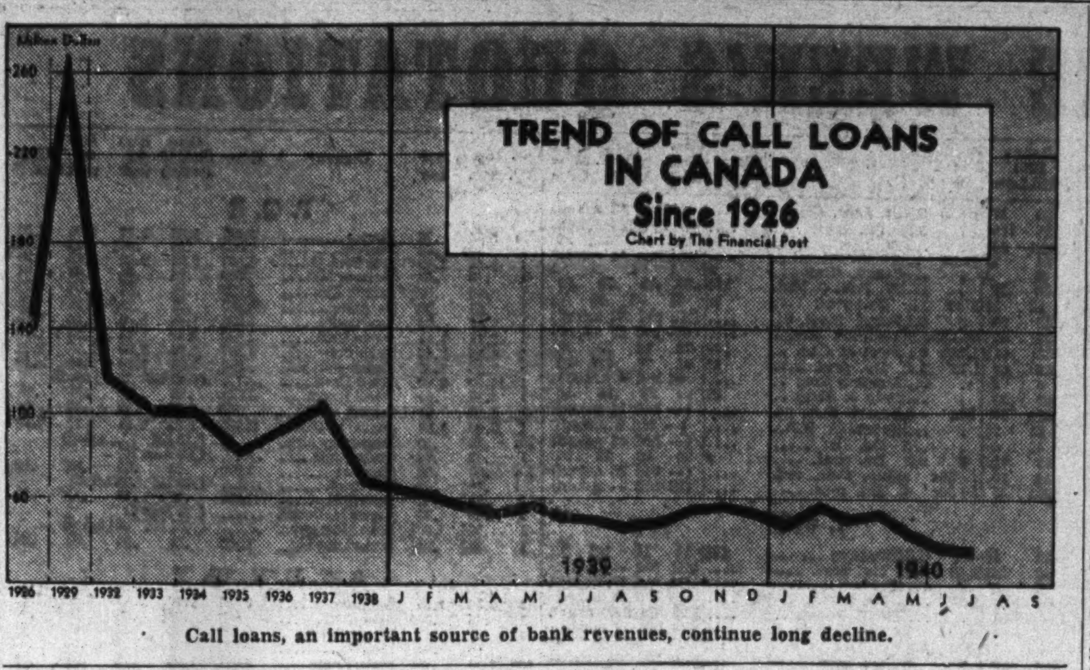
Brokers' Borrowings
Toronto and Montreal Stock Exchanges
Millions of Dollars

	1939-40	1938-39
September	25.0	33.5
October	27.2	35.8
November	28.0	37.4
December	28.8	38.7
January	26.5	35.3
February	29.0	34.1
March	28.2	29.4
April	28.9	26.0
May	19.9	26.4
June	16.3	25.8
July	14.6	25.5
August	14.3	24.2

Two factors to be remembered, however, are that:

Brokers and investors sometimes borrow from other sources besides the banks. The banks may lend money on call to other interests than the brokers.

The figures, however, show that in the first 10 months of war both brokers' loans and the call loans of the banks were considerably below the corresponding months of the year before, the drop in each case since the blitzkrieg started in May being quite sharp. At that time, stock exchange activity which had already been light shrank further with a corresponding reaction in brokers loans and call loans of the banks.



Call loans, an important source of bank revenues, continue long decline.

Want Ruling That Experts Do Plumbing in War Jobs

From Our Own Correspondent

OTTAWA.—To meet complaints about plumbing and heating installations in war purpose construction projects, the Department of Munitions and Supply may require general contractors to retain plumbing firms or master plumbers to handle these phases of war building jobs.

There has been criticism of both methods and results in provision of plumbing and heating facilities in war structures. Complaints have applied especially to the temporary buildings required for military training and mobilization, defense projects, and the air training plan.

Dissatisfaction among plumbing and heating contractors, recently crystallized in protests registered with the Munitions Department by the Montreal Master Plumbers Association.

It was contended that the services of recognized plumbing and heating contractors were not being utilized by general contractors in completing structures ordered by the Department, with improperly installed facilities the result.

Department officials do not concede that plumbing and heating work in war structures has been unsatisfactory, with the possible exception of isolated cases.

The majority of contracts so far awarded by the Department require speedy completion and are for temporary types of structures in which major plumbing and heating installations do not figure to any extent. Because of these factors, and to speed up award of contracts by the Department, it has been the practice to award inclusive general contracts for complete jobs rather than to award separate subcontracts for the different phases of building projects.

To complete work speedily and hold down costs, the general contractors in many cases have done plumbing and heating work directly. In future it may be stipulated that plumbing subcontractors must be master plumbers, or that they do plumbing work generally.

Will Towns Unite?

Three Municipalities on Toronto's Western Boundary Discuss Amalgamation to Forestall Possible Provincial Action

Steps are being taken on a proposal to amalgamate three Toronto suburban municipalities, the towns of New Toronto and Mimico and the village of Long Branch.

A committee, appointed by the Ontario Government, has been appointed to consider the wider question of the whole metropolitan area of Toronto. There is a feeling among the three Toronto lakeshore municipalities, The Financial Post learns, that any merger sponsored by this committee would likely embrace a considerably larger area—to which they are understood to feel unfavorably. It is to forestall such action that the smaller plan now is being pushed.

The provincial committee at present is lying dormant on instructions from Hon. Eric Cross, Minister of Municipal Affairs. The Ontario authorities feel that any action taken in the Toronto area would better be deferred, perhaps, until the war is over.

Wide Powers

A quick merger by the three lakeshore municipalities, however, could not forestall action from the provincial municipal department, it is explained by an official. The provincial commission might recommend the three areas be included in a larger amalgamation and, if provincial authorities were in agreement, they could insist on it being carried out, even after a smaller merger had been made previously.

The three areas, however, are not discouraged and merger plans are going forward. It is freely admitted the provincial department has wide authority, but as one municipal official puts it, the department may not be so anxious to begin undoing everything again once the amalgamation has been carried out.

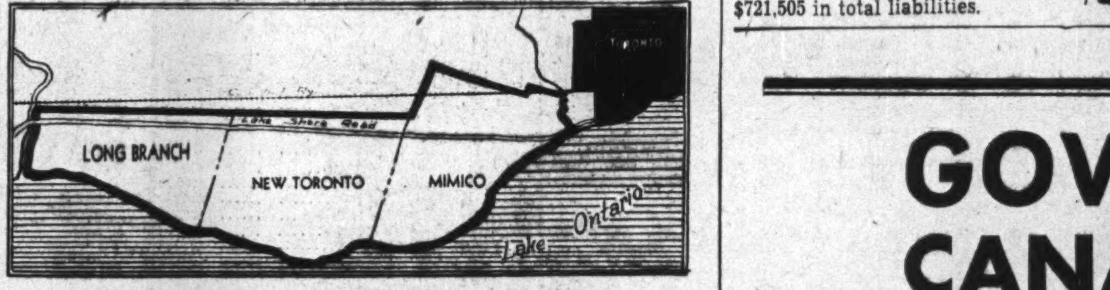
In the meantime an amalgamation committee, consisting of three representatives of each of the three municipalities, has been appointed. It, in turn, instructed the auditors of the two towns and the village to prepare statistics bearing upon the proposal. The figures now are being studied by the amalgamation committee as well as the three municipal councils.

Should an amalgamation seem practical, all three councils would pass a by-law requesting the Ontario Municipal Board to prepare the necessary legislation. If the board was in agreement, it would present the legislation to the Provincial Government. If the proposal won approval of the Legislature, permission would be granted to organize a city. This would involve the breaking away of the municipalities from York County.

New Responsibilities

Such responsibilities as courts, justice, secondary education and roads—now borne by the county—would be assumed by the new city. That portion of the country's debenture indebtedness, incurred on behalf of each of the three municipalities, would be taken over also by the city.

The entire proposal could be carried out without the approval of ratepayers of the three municipalities. A municipal vote would not be necessary unless the Ontario Municipal Board deemed it so upon receipt of copies of the by-laws passed by the respective councils.



These municipalities talk amalgamation.

Weekly Bank Clearings

	Sept. 19 1940 $	Change yr. ago %	Sept. 12 1940 $
Halifax	3,237,390	+14.9	3,257,252
Saint John	1,995,830	+3.5	1,844,707
Moncton	859,946	+2.2	831,458
Sherbrooke	854,130	+20.2	827,227
Quebec	5,403,157	+3.5	5,947,514
Montreal	96,571,937	—4.8	91,263,511
Ottawa	27,147,685	+53.0	41,051,086
Kingston	693,441	+11.1	663,359
Peterborough	604,149	+3.3	578,597
Toronto	100,614,720	—23.1	79,663,657
Hamilton	5,617,849	+4.4	4,736,831
Kitchener	1,219,136	—0.9	1,131,746
Brantford	942,735	—19.0	729,743
London	2,731,303	+0.7	2,418,775
Chatham	604,256	—2.3	536,249
Windsor	3,187,491	+24.6	2,877,427
Sarnia	437,435	+7.4	503,246
Sudbury	856,365	—15.1	1,163,772
Fort William	938,444	+18.7	825,504
Winnipeg	54,214,269	—37.3	52,531,179
Brandon	410,645	—17.5	429,540
Regina	8,431,239	—30.1	9,516,018
Moose Jaw	862,157	—6.2	786,191
Saskatoon	1,622,111	—8.9	1,433,647
Prince Albert	418,584	+4.5	371,933
Edmonton	4,857,840	+10.9	4,317,981
Calgary	5,766,868	—13.4	5,875,358
Lethbridge	592,573	—15.5	646,342
Medicine Hat	346,274	—11.5	380,781
N. W'minster	637,791	+9.5	771,185
Vancouver	16,444,067	—15.6	16,481,783
Victoria	1,809,017	—4.0	1,758,563

Staff Changes

The Imperial Bank of Canada announces the following staff changes:

M. J. GOULD, acting manager, Bathurst & Dupont, Toronto, to be manager.

W. M. RENWICK, acting manager, Silverthorn, Toronto, to be manager.

W. J. ARNOLD, acting manager, Pape & Sammon Ave., Toronto, to be manager, St. Clair & Runnymede, Toronto.

F. W. CUMMINS, manager, St. Clair & Runnymede, Toronto, to be manager, Pape & Sammon, Toronto.

The Royal Bank of Canada announces the following staff changes:

A. F. MASSON to be manager Belize, British Honduras.

R. I. C. PICARD, assistant manager Stanley St., Montreal, to be assistant manager, Toronto.

C. L. WALKER, head office, Montreal, to be assistant manager Stanley St., Montreal.

O. H. BRADLEY to be accountant Belize, B.H.

A. J. SMITH to be accountant Rio de Janeiro, Brazil.

C. R. BEATTIE, manager Belize, B.H., retires on pension.

The Bank of Nova Scotia announces the following staff changes:

A. E. GRIFFIN to be manager at Montreal.

T. A. BOYLES to be chief accountant of the bank.

A. L. MACDONALD, chief accountant of the bank, to retire on pension.

F. C. MARSHALL to be manager, Brigden, Ont.

H. M. DAGG to be assistant manager, Ottawa.

Savard, Turpin & Co. Now Savard & Hart

From Our Own Correspondent

MONTREAL. — The firm of Savard, Turpin & Co. has been dissolved. The business will be carried on under the name of Savard & Hart, members of the Montreal Stock Exchange and the Montreal Curb Market.

Partners in the new firm are J. E. Savard and Charles F. Hart. J. E. Savard was recently elected a member of the Montreal Curb Market. Charles Hart, who is a member of the Montreal Stock Exchange, is at present on active service with the Royal Canadian Air Force.

Local Debts Off In Alberta

Municipal Indebtedness Drops 2% — Cities Make Best Showing

Reduction of almost 2% in total debenture indebtedness is shown by 349 Alberta cities, towns, villages and municipal districts in 1939, as compared with the previous year, according to the annual report of the Department of Municipal Affairs of the province. Figure of $52.1 millions at Dec. 31 last is down about $856,000 from a year previous.

Aggregate debenture debt of the seven Alberta cities of $50 millions at the end of 1939 was down $934,000 from the previous year. Figure of almost $2 millions for 54 towns was down $89,067, while the total for 143 villages of $40,328 was down $4,233. The 145 municipal districts with debenture debt of $6,616 at the end of 1938 wiped the account out during 1939.

Total assessment of $139.9 millions for the cities shows an increase of $4.4 millions—the highest figure since 1935. Total levy of $7.9 millions is down $133,000, the fourth year in which the figure has been lower. Tax collections of $8.6 millions were about $706,000 more than the current levy.

Good Record

Total assessment of the 54 towns of $28 millions is down $5.8 millions, the reduction being principally in business and special assessments. Current levy and tax collections showed a fractional increase. Levy of about $948,000 has been practically unchanged in the past four years, while collections have shown a steady increase from $815,233 in 1935 to $918,377 in 1939. Amount of net cash carried in the bank has increased consistently from $273,185 in 1935 to $368,140 in 1939. Total liabilities are being reduced steadily.

The 143 villages report total assessment of $18.6 millions, up about $282,000 from 1938. Current levy of $307,143 is off about $6,000 while collections of $299,969 are off also—about $1,500. Cash on hand of $149,817 shows a healthy increase of over $25,000, but this is practically offset by an increase of about $22,000 to $721,505 in total liabilities.

$20 Millions "Baby" Bonds Are Sold

Drive to Distribute Certificates Renewed as Sale Slows Down

The drive for sale of war savings certificates was renewed by the National War Savings Committee this week as the second war loan campaign got out of the way.

Total of about $20 millions was sold to the end of August.

Ottawa expected about $50 millions to be raised in the course of a year by this method of financing. Two fifths of the objective has been reached in the 3½ months since the campaign was launched near the end of May. It is far in excess of the $15.6 millions sold in Canada during the 24 months from Jan. 1917, to Dec., 1918.

Priming Needed

The enthusiasm of the first month or so—to the end of June—when just under $12 millions was sold, has not, according to Hon. J. L. Ilsley, been continued at the same level.

The Minister's figures show about another $4.7 millions added in July, the sum dropping to about $3.3 millions in August, The Financial Post is told. Sales this month are understood to be holding at somewhat the same level as last month so far.

The National Committee this week has started a campaign designed to enlist an army of two million regular "war savers." This will involve the mailing of 2.5 million forms to householders from coast to coast.

By using this form, any bank depositor can instruct his or her bank to invest in one or more war savings certificates on the 15th of every month. This is in addition to the programme already adopted by 10,000 companies throughout the Dominion, which make monthly deductions from pay checks for purchase of certificates.

War savings committees have been formed in each of the nine provinces. These have been busy during the summer in organizing district and local committees.

Compared with sister Dominions, Canada is making a good showing. South Africa, in the first 20 days of its war savings certificates sale, distributed about $1.3 million (£300,000). Australia had sold about $4.1 millions (£1.2 million), according to latest figures to the end of May, of which about $1.8 million (£511,161) was sold during May last. This compares with over $17.9 millions (over £5 millions) in the last war to June, 1919.

To the end of July a total of 336,602 Canadians had bought certificates. This, incidentally, compares with only 218,000 persons during the 24 months to which "baby" bonds were sold in the first great war.

BELL ISSUES SHARES

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. has notified the Montreal Stock Exchange that 1,008 additional shares of its capital stock have been issued under the employees' stock plan. This makes the total number of shares outstanding 818,214.

Paper Activity Index Shows Sharp Drop

From Our Own Correspondent

MONTREAL.—Production rate in the U. S. paper industry, not including paperboard, according to the American Pulp & Paper Assoc. index of paper mill activity was 71.3% for the week ended Sept. 7, including the Labor Day holiday. This compares with 85.7% for the week ended Aug. 31 and 74% for the week ended Sept. 9, 1940.

Weekly Statement Bank of Canada

An increase of $13 millions in investments is shown by the Bank of Canada in its statement for the week ended Sept. 18. The gain was largely in short term issues and probably reflects open market operations of the Bank. Reserves of sterling and United States exchange were also about $4 millions higher.

On the liability side, deposits of the chartered banks were higher, probably reflecting increased public deposits with them. Note circulation also rose under the urge of more active general business.

Balance Sheet

	Sept. 18 1940	Sept. 11 1940
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	324,568,448	320,228,914
Rest fund	2,449,756	2,449,756
Depos.: Dominion	42,189,771	40,153,853
Bank	218,763,806	206,244,631
Other	8,670,830	9,901,048
Total deposits	269,624,407	256,299,532
All other liabs.	5,869,616	6,522,048
Total liabs.	607,512,227	590,500,250
Assets		
Reserve:		
In sterling & U. S.	27,010,947	23,083,947
Subsidiary coin	287,313	273,475
Advances	1,000,000	1,000,000
Investments:		
Dom. Govt. short	449,759,530	436,604,882
Other Dom. Govt.	121,732,957	121,738,506
Total invest.	571,492,487	558,343,388
Premises	1,731,272	1,729,646
All other assets	5,990,208	6,069,794
	607,512,227	590,500,250

Obituaries

C. F. Thomas, factory manager and director of Wm. Wrigley Jr. Co. Ltd., Toronto, aged 53, at Bancroft, Ont.

J. W. Spears, formerly assistant general manager of the Bank of Montreal at Winnipeg, president of Dairy Corp. of Canada, vice-president The Canada Trust Co., director Huron & Erie Mortgage Corp., director Canadian General Insurance Co., aged 57, at Toronto.

J. P. Gougeon, insurance broker of Montreal, aged 51, at Ste. Agathe, Quebec.

The same high quality as our INVINCIBLE & CORONA. except as to size!
B&H Belmont Perfectos
A BENSON & HEDGES Value
Actual Size
10¢ Also Blunts & Panetelas

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To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

CANADA PERMANENT Mortgage Corporation
Head Office
320 BAY ST. • TORONTO
Assets Exceed $68,000,000

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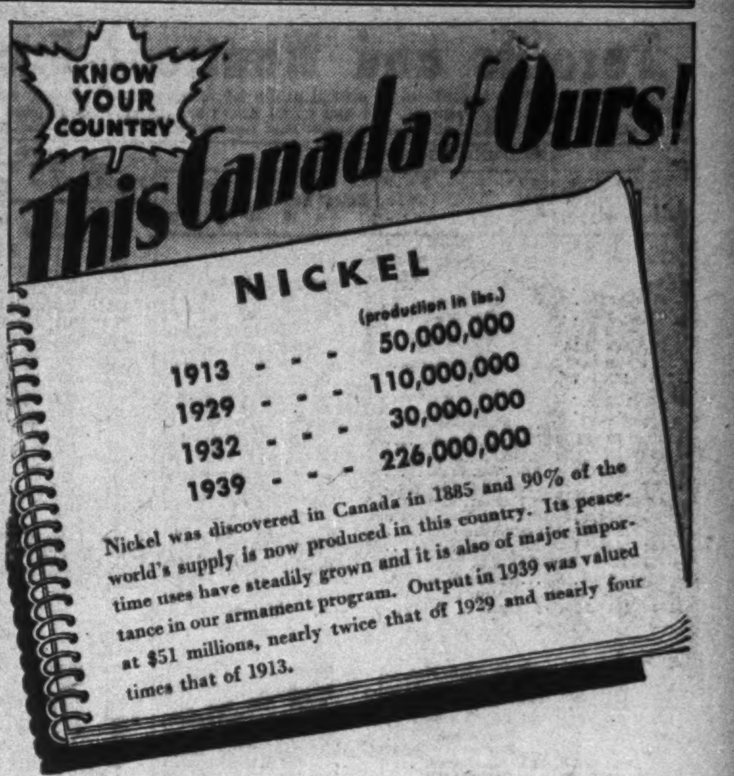
KNOW YOUR COUNTRY
This Canada of Ours!
NICKEL
(production in lbs.)
1913 - - - 50,000,000
1929 - - - 110,000,000
1932 - - - 30,000,000
1939 - - - 226,000,000
Nickel was discovered in Canada in 1885 and 90% of the world's supply is now produced in this country. Its peacetime uses have steadily grown and it is also of major importance in our armament program. Output in 1939 was valued at $51 millions, nearly twice that of 1929 and nearly four times that of 1913.

(At Sudbury, the centre of the nickel industry, this Bank has had a Branch for almost 30 years.)

In your personal, every day life and in the daily business transactions across Canada experienced banking service is a VITAL NECESSITY.

This Bank's 108 years of close relations with individuals, with business enterprises and with the community have developed an understanding of BUSINESS PROBLEMS and BANKING REQUIREMENTS.

Know Your Bank—it can serve you.

The BANK of NOVA SCOTIA
EST. 1832—OVER A CENTURY OF BANKING EXPERIENCE

SIGNAL FOR O'Keefe's
it's better for you
O'KEEFE'S BEVERAGES LIMITED

GOVERNMENT OFFERS CANADIAN EXPORTERS
Co-operation
in the markets of the West Indies, Central and South America

THE conflict in Europe has drastically interfered with the usual course of international trade on the American continents. For the countries of the West Indies and of Central and South America, many former sources of supply have been curtailed or entirely shut off. These countries must now seek elsewhere for commodities which they cannot import through the old established channels. This readjustment of trade provides opportunities for increasing Canadian exports.

CANADIAN PRODUCTS ARE IN DEMAND MARKETS CAN BE EXTENDED

To this great southern trading area Canadian exporters can look for substantial sales. The demand for certain products has already been realized. The one serious limitation upon the extent and diversity of the further demands that may be developed within this huge territory is that arising from the exchange condition prevailing in each individual country. Apart from this limitation, it may be said that at no other time in Canada's history has a similar export opportunity presented itself in the western hemisphere. And at no other time has Canadian business been more strongly equipped for trade expansion.

Today, in its vital urgency, Canada's export trade is second only to her war effort. Every dollar's worth of export trade helps to strengthen Canada's financial position and to provide employment for her citizens. Exporters who are in a position to cultivate these southern markets may, in doing so, serve a vital national interest as well as their own.

CANADA'S TRADE COMMISSIONERS OFFER INFORMATION AND ASSISTANCE

Canada's trade commissioners on the American continents are stationed where they can serve exporters to the best advantage—three in the United States, two in the British West Indies, and one in each of the following countries: Argentine, Brazil, Cuba, Mexico, Panama, and Peru.

These specially trained representatives are well posted on local conditions, trade requirements and marketing possibilities. It is their job to aid the Canadian exporter—to help him in establishing efficient agencies, to make contact with reliable importers and to use their influence in every possible way for the benefit of the Canadian shipper. Their services and the entire facilities of the Department of Trade and Commerce are at the disposal of all who are interested in export trade. Canadian exporters may secure, quickly and without charge, valuable information and co-operation. No effort will be spared to give prompt and competent attention to every export trade inquiry.

DEPARTMENT OF TRADE AND COMMERCE
HON. JAMES A. MACKINNON, M.P., Minister
J. G. PARMELEE, Deputy Minister
14P

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 23

A

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
2.50	.50	.	...	Abitibi	5865	.75	.90	.55	.55
27¼	2¼	.	...	Do. pref. 6%	1810	4¼	5¼	4	4¼
33	5¼	.	...	Do. pref. 7%	25	7	8¾	8¾	8¾
6	3	.	...	Acme Glove	....	(— bid 3 asked)			
57	45	6.50	...	Do. pref.	....	(45 bid — asked)			
12¼	9	80+20c	10	Agnew Surp.	....	(11 bid — asked)			
110	105	7	6.5	Do. pref.	10	105¼	107	107	107
3.00	.75	.	...	Alta. Pac. Gr.	....	(— bid 1.25 asked)			
36	20	.	...	Do. pref.	115	30¼	30	28	28
16¾	7	.	...	Algoma Steel	415	8	11¼	10¼	11
100	81	§2.50	..	Do. pref.	5	85	86	86	86
145	80	§4.50	..	Aluminum	166	118	124	120	124
122	100¼	6	5.8	Do. pref.	....	(108 bid — asked)			
8¼	5¼	.	...	Amal. Electric	....	(— bid 5¼ asked)			
43	34¼	60c	1.7	Amer. Cyn. B.	....	(34¼ July 16)			
49¾	43¼	2.75	6.2	Ang. Can. Tel p	....	(44¼ bid — asked)			
26¼	14¼	60+60c	6.5	Asbestos	177	18¼	18¼	18	18¼
19¼	12¼	1	5.7	Assoc. Brew.	15	17	17¼	17¼	17¼
112¼	109	7	6.4	Do. pref.	65	109¾	109¼	109¼	109¼
•2	2	.	...	Assoc T. & T.A.	....	(— bid — asked)			
•34	26	48c	...	Do. pref.	....	(— bid 34 asked)			
103	101	5.50	5.3	Ault & Wiborg	....	(103 May 29)			

B

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
164	137	8	5.7	Bk. Can. Nat.	19	139	140	139	139
212	170	8	4.2	Bk. Montreal	46	188	190	186	189
315	269	12	4.3	Bk. N. Scotia	7	277	280	279	279
268	200	10	4.5	Bk. Toronto	....	(220 bid 240 asked)			
•5	4¼	.	...	Barcelona	....	(— bid — asked)			
6¼	5	.	...	Barker's Bread	....	(1¼ bid 3 asked)			
28	19	2.50	13.1	Do. pref.	....	(— bid 30 asked)			
15¾	6¼	§50c	..	Bathurst Pr.	145	11¼	12	11¼	12
5	1¼	.	...	Do. (B)	61	3	3	2¾	3
1.75	.10	.	...	Bawlf Grain	....	(— bid .10 asked)			
45¼	25	.	...	Do. pref.	80	40	45	45	45
5	3	.	...	Beath & Sons	....	(2 bid 5 asked)			
5¾	3	.	...	Beatty Bros.	....	(3 bid 4¾ asked)			
102	90	6	6.2	Do. pref.	....	(9 6bid 99¼ asked)			
90	88	7	7.8	Do. 2nd pref.	....	(— bid 88 asked)			
6¼	2¼	.	...	Beauharnois	861	4	5¼	4	5
97¼	80	4	5	Belding Cort.	....	(— bid 100 asked)			
150	130	7	5	Do. pref.	....	(— bid 138 asked)			
169	130	8	5.2	Bell Telephone	289	154	155	152	155
12	9¼	60+15c	8	Biltmore Hats	....	(7¼ bid 9¾ asked)			
9¼	5	.	...	Blue Ribbon	....	(7 bid 8 asked)			
42	34	2.50	7	Do. pref.	25	35¼	37	35¼	37
21	19	1.30	6.1	Brant. Cord. pf.	....	(20 bid 22 asked)			
10¾	3¾	.	...	Brazilian Tr.	2063	5¼	5¾	5	5¾
5¼	3	50+25c	..	Brew. & Distil.	145	5¼	5¼	5	5
6¼	6	30c	5	Bright, T. G.	....	(6¾ bid — asked)			
90	89	6	6.7	Do. pref.	....	(88¼ bid — asked)			
22¾	14¾	1	5.2	Brit. Amer. Oil	1284	19¼	20	19¼	19¾
19¾	9	.	...	B. C. Packers	1	11	12	12	12
30	23	2	7.2	B. C. Power A.	355	27	28	27	27¼
3¼	1	.	...	Do. (B)	5	1¼	1¼	1¼	1¼
7	4¼	.	...	Bruck S. Mills	10	4¼	4¼	4¼	4¼
17¼	12	70+10c	5	Building Prod.	355	16	16	16	16
14	6¼	60c	6	Burlington St'l	....	8¾ bid 10¼ asked)			

C

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
70	70	.	...	Calgary Power	....	(— bid 75 asked)			
101¼	90	6	6.3	Do. Pref.	....	(97¼ bid — asked)			
5¼	1¾	.	...	Canada Bread	....	(2¾ bid 4 asked)			
105	90	5	5.2	Do. pref.	....	(97 bid — asked)			
58	40	2.50+37½c▲	6	Do. pf. B.	....	(30 bid 43 asked)			
6	3¾	40c	10.5	Canada Bud	....	(4¼ bid 4¾ asked)			
8¼	3	.	...	Canada Cement	3296	5	6¾	5¾	6¾
100	75	5	5.2	Do. pref.	288	87	96¼	90	95
106	102	5	4.8	Canada Cycle p	....	(103 bid 106 asked)			
35	24	1.50+25c	6	C. & D. Sugar	470	29	29	28	29
b22¼	11¾	50c	3.6	Canada Dry	52	13¼	13¾	13¼	13¾
23	11	§1.12½	..	Can. Forg. (A)	6	17¼	18	17¼	17¼
22	13	.	...	Do. (B)	5	15¾	15	15	15
40	30	3	10	Can. Iron	....	(25 bid — asked)			
75	65	6	8.6	Do. pref.	....	(65 bid 100 asked)			
4	1	.	...	Can. Mach'y	3	3¼	4	4	4
32	25	3.50	...	Do. pref.	....	(34 bid — asked)			
39¼	29¾	2	5.7	Can. Malting	120	35	35	34¾	35
18	10¼	§1.13	..	Can. Nor. Pr.	460	10¾	12	10¼	12
111¼	90	7	7.2	Do. pref.	20	98	98	98	98
104¾	65	3+1	4.3	Can. Packers	1	90	92	92	92
.25	.25	.	...	Can. Paving, p.	....	(.25 bid 1.00 asked)			
150	117	8	6.1	Can. Perman.	46	135	135	131	135
6¼	6¼	§1	...	Can. Starch	....	(6 bid — asked)			
110	109	7	6.4	Do. pref.	....	(108 bid — asked)			
8¼	2	.	...	Can. Steamsh's.	199	4¾	4¾	3¼	4¾
21¾	9¾	§62½c	..	Do. pref.	538	15	15¾	14¼	15¾
15¼	5	§50c	..	Can. Vinegars	210	6¼	6¾	6¼	6¼
65	40¼	4	7.2	Can. W. Cable	55	55	57	56	57
24	14	75c	4	Do. (B)	75	18	19	18¼	18¼
106¾	105	6.50	6	Do. pref.	....	(98 bid — asked)			
3	1	.	...	Can. Bakeries	....	(— bid 1 asked)			
64	40¼	§3	...	Do. pref.	....	(— bid 44 asked)			
178	132	8	5.1	Can. Bk. Com.	88	157	159	156	157
2.75	1.05	.	...	Can. Breweries	130	1.25	1.50	1.25	1.50
31¾	21¾	3	12	Do. pref.	125	26¼	26¼	25¼	25¼
45	29	1.50+50c	5.7	Can. Bronze	40	34	35	35	35
107	102	5	4.9	Do. pref.	....	(100 bid 107 asked)			
10¾	6	§37½c	..	Can. Canners	55	8	7¼	7	7¼
27	17	1+15c■	6	Do. 1st pfd.	90	19	18¼	18¼	18¼
14	7¾	60+15c■	7	Do. 2nd pfd.	105	10¾	11	10¾	11
16¼	5¾	.	...	Can. Car & F'y	969	8¼	8¾	8	8¾
29	12¾	.	...	Do. pref.	217	19	19¼	17	18¼
37¾	20	1+50c	4.7	Can. Celanese	185	31	32	30¾	32
125¼	104	7+1.16■	..	Do. pref.	50	125	125	123¼	124¼
22	20	1	4.5	Do. Rights	....	(22 bid — asked)			
19¼	14	50c	...	Can. Convert.	....	(14 bid — asked)			
120	95	4+2	6.3	Can. Cottons	....	(77 bid 99 asked)			
118	99¼	6	5.9	Do. pref.	11	100¼	100¼	100¼	100¼
32	9¼	1.50	...	Can. Dredge	300	14	20	14	19
101	100	6	6	Can. Fairb. pf.	....	(100 May 17)			
14¾	5	1.40	...	Can. For. Inv.	50	9	9	9	9
101	96	8	7.9	Do. pref.	....	(99 bid — asked)			
240	200	8	4	Can. Gen. Elec.	....	(166 bid — asked)			
9¼	6	50c	7	Can. G. Inv.	....	(7 bid 8¼ asked)			
3.62	1.65	†15	...	Can. Ind. Alc.	50	1.80	1.90	1.90	1.90
3.12	1.50	†15	...	Do. B	....	(1.85 bid — asked)			
235	175	7	3.4	Can. Indust. B.	15	199	210	203	210
175	150	7	4.2	Do. pref.	6	167	165¼	165¼	165¼
.30	.10	.	...	Can. Int. I. Tr.	....	(10 bid — asked)			
45	25	2	8	Do. pref.	....	(35 bid 51 asked)			
18¼	12	1	6.7	Can. Lt. & Pr.	....	(— bid 16 asked)			
20	6	.	...	Can. Locomo.	25	11	8¾	8	8¾
1.40	.65	4c	...	Can. Marconi	100	1.00	.95	.95	.95
21¼	12	50+50c	6.2	Can. Oil	....	(14 bid — asked)			
123	109¾	8	6.8	Do. pref.	....	(112 bid 119 asked)			
8¼	4	.	...	Can. Pacific	2720	5¾	5¼	5¼	5¼
1.50	.25	.	...	C. Pr. & Pa. In.	....	(— bid 1.00 asked)			
5	2	.	...	Do. pref.	....	(2 bid 3 asked)			
8¼	2	.	...	Can. Vickers	5	3	2¼	2¼	2¼
33	7¾	.	...	Do. pref.	20	10¼	12	11¾	11¾
13¼	9¼	1	10.2	C. Wallpaper A.	....	(9 June 16)			
13	9	1	11.1	Do. (B)	....	(7 bid 11 asked)			
52¼	48	1.50	3.1	Can. West'ho'se	....	(40¼ bid 43 asked)			
5¼	3¾	†25c	..	Can. Wineries	20	5	5	5	5
22	13¼	1.50	8.3	Can. Wire Box	....	(17¼ bid 18 asked)			
1.75	1.00	.	...	Capital Estates	....	1.00 bid 1.25 asked			
119	114	5	4.2	Carnation, pfd.	70	119	117¾	117¾	117¾
18	10	50c	4.9	Catelli Food	....	(— bid 13 asked)			
14¼	10	75c	6.2	Do. pref.	....	(10 bid 12 asked)			
37¼	37¼	1	...	Celanese of A c	....	(— bid — asked)			
2.25	1.50	.	...	Celtic Knit	....	1.60 bid 2.00 asked			
160	160	8	5	Cent. Can. L'n	....	(— bid 165 asked)			
102	100	4+1	5	Chart. Trust	....	(— bid 105 asked)			
.54	.10	.	...	Chem. Research	1204	.15	.21	.20	.20
.20	.05	.	...	City Gas & El.	....	(.10 bid — asked)			
.15	.05	.	...	Claude Neon	102	.05	.05	.05	.05
1.42	1.00	12c	9.5	Coast Brew	....	1.28 bid 1.30 asked			
9¼	3¼	.	...	Cockshutt Plow	335	6¼	6¼	5¾	5¾
3.50	1.55	10c	...	Comm. Alcohol	150	1.95	2.12	1.95	2.12
6¼	5	40c	6.7	Do. pref.	....	(6¼ bid 6¾ asked)			
4	3¾	§40c	...	Conduits Nat.	....	(3¾ bid 5 asked)			
19	12¼	1+25c	9	Cons. Bakeries	80	14¼	14	13¾	13¾
.10	.05	.	...	Cons. Div. Sec.	....	(— bid .05 asked)			
11	6¼	75c	...	Do. pref.	....	(7¼ bid 14 asked)			
8¼	3	.	...	Cons. Paper	4055	4¼	4¾	4¼	4¾
10	•3¼	.	...	Cons. Press	200	4	3¼	3¾	3¾
75	55	1.25	...	Cons. Sand, pf.	....	(70 bid — asked)			
49	28¼	1+1	5.1	Cons. Smelters	553	38¼	39¼	37¼	39
178	140	10	6.2	Consumers' Gas	20	161¼	162	160	161
68	40	§1.75	..	Corr. P. Box, p.	....	(— bid 56 asked)			
31¼	19¾	1.20	4.7	Cosmos Imp.	25	25¼	27	27	27
32	21	§1.30	..	Crown Cork	20	27	27	27	27
3	1¼	.	...	Crown Dom. Oil	....	(1.25 bid — asked)			
35	27	3	9.5	Crow's N. Coal	....	(32 bid 35 asked)			
3.75	.70	.	...	Cub Aircraft	75	1.10	1.15	1.10	1.10

D, E

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
19	9¾	1+10c	9.7	David & Fre. A	15	12	11¼	11¼	11¼
3¾	1	.	...	Do. (B)	213	1	3	2¾	2¾
17	6¼	.	...	de Havilland	....	(7 bid — asked)			
92	86	.	...	Do. pref.	....	(91 May 27)			
3¾	¾	.	...	Disher Steel	....	(1¼ bid 1¾ asked)			
14	10	.	...	Do. pref.	....	(— bid 15¼ asked)			
27¾	18¼	2.22	8.9	Distill-Seagram	375	24¼	25	24¼	25
97¼	80	5	5.7	Do. pref.	10	95	88	88	88
39¾	39¾	1	...	Dom. Ang. Inv.	....	(26 bid — asked)			
70	70	5	7.2	Do. pref.	....	(55 bid 70 asked)			
210	150	10	5.3	Dom. Bank	16	185	189	185	187
40	22	1.20	4.4	Dom. Bridge	445	28	28¼	27	28
22¼	16	1.50	7.5	Dom. Coal, pf.	125	20¼	20	20	20
44	20	.	...	Dom. Engineer.	....	(26 bid 39¾ asked)			
36¼	19	1	4.1	Dom. Foundries	280	24	24¼	24	24¼
110	103¼	6	5.7	Do. pref.	....	(105 bid 109 asked)			
129	115	5	3.9	Dom. Glass	155	129	126¼	126¼	126¼
156	135	7	4.8	Do. pref.	....	(140 bid — asked)			
35	29¼	1.20+40	5.3	Dom. Oilcloth	....	(27 bid 30¼ asked)			
1.50	1.00	.	...	Dom. Scot. Inv.	....	(— bid .95 asked)			
31	27	§1.75	...	Do. pref.	....	(— bid 25 asked)			
4¾	1	.	...	Dom. Square	....	(1¼ bid — asked)			
15¾	6¼	.	...	Dom. St. & C.B.	1790	8¾	9¾	9	9¾
5¼	3	.	...	Dom. Stores	477	4¼	5	4¾	4¾
8¼	3	.	...	Dom. Tar & Ch.	65	5¾	5¼	5¾	5¾
90	75	5.50	6.1	Do. pref.	35	86	90	90	90
90¼	70	5	5.7	Dom. Textile	85	86	88	87	87
155	146	7	4.7	Do. pref.	5	148	146	146	146
3¾	1	.	...	Dom. Woollens	45	1¾	1¼	1	1
9¼	2	.	...	Do. pref.	110	4¾	5	4¾	5
10	3¼	.	...	Donnacona P.A.	....	(5¼ bid 6 asked)			
9¼	3	.	...	Do. (B)	....	(4¼ bid 5 asked)			
11¾	4	.	...	Dryden Paper	165	6	6	6	6
•1.00	.30	.	...	East Koot. Pr.	....	(— bid 1.00 asked)			
7	5	.	...	Do. pref.	....	(3 bid 10 asked)			
1.00	.50	.	...	East Dairies	....	(— bid .50 asked)			
8¼	3	.	...	Do. pref.	25	5	4¾	4¾	4¾
18¼	8	1	7	East Steel	45	11¼	14¼	14	14
100	97	7	7	East Theat. pf.	....	(— bid — asked)			
4¼	3	.	...	Easy Washing	....	(2¾ bid 3¼ asked)			
29¼	19	1.75	...	Economic Inv.	....	(22 bid 24¾ asked)			
12	7¼	.	...	Electrolux	....	(7¼ bid 8¼ asked)			
5¼	2	.	...	Enam. & Heat.	50	3	3	3	3
34	25	2.50	8.6	English Electric	20	29	30	29	30
6	1¼	.	...	Do. (B)	106	4	5	4¾	4¾
6	3¼	15c	3.7	Equitable Life	....	(4 bid 5 asked)			

F, G

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
6¼	2	.	...	Fairchild Air	125	3¾	3¼	3¼	3¼
24	18	1	4.8	Fam. Players	....	(— bid 20 asked)			
30	20	1.50+25c	6.7	Fanny Farm.	1015	25¼	27¼	26	27
10¼	3¼	.	...	Fleet Aircraft	130	5	5¼	5¼	5¾
1.50	.75	.	...	Fleury Bissell	....	(.75 Apr. 26)			
27	20	.	...	Do. pref.	....	(20 bid 27 asked)			
22¾	13¼	1	6.7	Ford Motor A.	1232	16¾	17¾	16¾	17¼
21¾	14	1	6.9	Do. (B)	....	(17¾ bid 18¼ asked)			
.20	.05	.	...	For. Pr. Secs.	....	(.15 Apr. 25)			
15¾	6	§50c	..	Foundation Co.	185	12	12¼	12	12¼
20	6	.	...	Fraser Cos.	....	(9¼ bid 11¼ asked)			
21¾	7¼	.	...	Do. Vot. Tr.	650	11¾	12¾	11¾	12¾
.50	.50	.	...	Freiman	....	(— bid 1.00 asked)			
38	32	.	...	Do. pref.	....	(32 bid — asked)			
16¼	9	80c	6.9	Gatineau Pwr.	420	11¼	11¾	11¼	11¾
97	79	5	5.6	Do. pref.	279	90	91	89¼	89¾
105¼	90	5.50	6.1	Do. 5½% pref.	....	(91¼ bid 105 asked)			
6	1¼	.	...	Do. Rights	35	1¼	2	1¼	2
10¾	4¼	.	...	Gen. St. Wares	420	6¼	7	6¼	7
96¼	77	7+57c■	..	Do. pref.	25	90	91	91	91
87	58	2.50+2.50	7	Goodyear T.	35	71	72	70	72
57¼	51	2.50	4.5	Do. pref.	60	54¼	56	54¼	55¾
•50	50	§3	...	Gould Pumps p.	....	(— bid — asked)			
8	4	.	...	Gt. Lakes Pap.	....	(2¼ bid 7 asked)			
29	18¼	§75c	...	Do. pref.	15	25	18¼	18¼	18¼
8	2¼	.	...	Do. Vot. tr. c.	94	3¼	3¾	3	3¾
27¼	13	§75c	...	Do. Vot. tr. p	38	17¾	18¼	17¼	18¼
3¼	1¾	.	...	Gt. W. Saddlery	....	(1¾ bid 3 asked)			
35	24	§2.25	..	Do. pref.	....	(30 bid 34 asked)			
14¾	11	60c	5.4	Greening Wire	50	11	12	12	12
1.25	1.25	10c	...	Growers' Wine	....	(— bid 1.25 asked)			
10¼	4	†30c	...	Gurd, Chas.	....	(4¼ bid — asked)			
107¼	106¼	7	6.5	Do. pref.	....	(— bid 108 asked)			
5¼	2¼	.	...	Gypsum, Lime.	880	3¾	4¼	3¼	4

H, I

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
21¼	21¼	1	4.7	Halifax Fire	....	(— bid — asked)			
8¼	2¼	.	...	Ham. Bridge	815	4¼	5¼	5	5¼
38¼	34	2+75c▲	6	Ham. Cot., pf.	5	35	35	35	35
2.50	.50	.	...	Ham. U. Theat.	....	(— bid 1.75 asked)			
75	65	§4.25	..	Do. pref.	....	(50 bid 65 asked)			
4¾	2¾	20c+10c	.	Harding Carpet	100	3	3	3	3
.25	.25	.	...	Hillcrest Coll.	....	(— bid 1.00 asked)			
4	2	.	...	Do. pref.	....	(2¼ bid 5 asked)			
16	7¼	50c	4.2	Hinde & Dauch	....	(10 bid 12¼ asked)			
•20	20	.	...	Holt Renfrew	....	(— bid 14 asked)			
40	20	.	...	Do. pref.	....	(20 bid — asked)			
25	15	1	...	Honey Dew	168	20	19¼	15¼	19¼
23¼	11¼	.	...	H. Smith Pap.	70	15	15¼	15	15¼
106	85	6	6	Do. pref.	25	100	103¼	103¼	103¼
17	11	1	8.3	Humberstone S.	....	(13 bid 15 asked)			
11	5	.	...	Hunts (A)	....	(5 bid 7 asked)			
10¾	5	.	...	Do. (B)	....	(5 bid 6 asked)			
74¼	54	4	6.1	Huron & E. Mt.	10	58	66	66	66
12	10	80c	...	Do. 20% pd.	15	11	10	10	10
2¾	2¼	20c	8	Hydro Electric	....	(2 bid 2¼ asked)			
220	150	10	5.2	Imperial Bank	6	187	190	185	190
15¾	8¼	50+25c	6	Imperial Oil	3795	11¾	11¾	11¾	11¼
16¼	12	40+22½c	5	Imperial Tob.	476	14¼	14¼	14	14¼
8	6¼	6%	4.4	Do. pref.	120	7¼	7	6¾	6¾
29	18¼	2	10	Indust. Accept.	....	(19 bid — asked)			
36	28¾	3	...	Inter-City Bak.	....	(— bid 33 asked)			
51	50	5	...	Inter'c Coal	....	(40 bid — asked)			
120	120	8	6.7	Do. pref.	....	(— bid — asked)			
23	14	1.50	9.7	Inter. Bronze	....	(16 bid — asked)			
28¼	19¾	1.50	6.2	Do. pref.	....	(24 bid 25 asked)			
.30	.30	3c	...	Int. Coal & C.	....	(.25 bid — asked)			
15¼	5	.	...	Int. Metal Ind.	20	8	8	8	8
114	90	6+6▲	6	Do. pref.	....	100¼ bid 105 asked			
113¼	85	6+6▲	6	Do. pref. A	45	100	100	100	100
116	111¾	5	4.3	Int. Mill., pf.	25	116	116	115	115
47	27¼	2	5.1	Int. Nickel	2470	36¼	38¼	37	38¼
3¼	1	.	...	Int. Paints	....	(1 bid 3 asked)			
18	11	1+25c▲	..	Do. pref.	....	(11¼ bid — asked)			
23¾	12	.	...	Int. Pap. & P.	....	(— bid 17 asked)			
80	47	5	7	Do. pref.	....	(66 bid 70 asked)			
24	12¼	1.50	9	Int. Pete	3773	17	17	16¼	16¾
6	2	.	...	Int. Power	40	2¼	2¼	2¼	2¼
96	69	7	9	Do. pref.	10	75	77¼	77¼	77¼
•11¾	10¼	.	...	Int. St. Rlty. A.	....	(— bid 14 asked)			
•4	3¾	.	...	Do. (B)	....	(— bid 4¾ asked)			
11¼	4¼	.	...	Int. Util. (A)	20	4¼	6	5¼	6
.65	.15	.	...	Do. (B)	....	(.20 bid .25 asked)			

J, K, L

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
14¼	12	§51c	..	Jam. Pub. Ser.	....	(11 bid 13¼ asked)			
135	129	7	...	Do. pref.	....	(— bid 130 asked)			
9¼	5	1	12.5	Kelvinator	....	(7 bid 9¼ asked)			
28	9	.	...	L. St. John Pr.	....	(13 bid 16 asked)			
2.50	.65	.	...	Lake Sulphite	100	1.00	1.50	1.50	1.50
27	14	50c	...	Lake of Woods	....	(— bid 19¼ asked)			
128	110	7	6.1	Do. pref.	....	(115 bid — asked)			
55	48¼	4	8.2	Landed Bank	....	(40 bid 55 asked)			
17	10	70+30c	8	Lang, J. A.	20	11¾	12	12	12
•3¼	2	.	...	Langley's	....	(— bid 1¾ asked)			
27	13	.	...	Do. pref.	....	(14 bid 20 asked)			
13¼	9	80c	7.3	Laura Secord	830	10¾	11¼	10¾	11
9¼	2	.	...	Legare, pref.	125	6	6	6	6
3	3	.	...	Levy Bros.	....	(3 bid — asked)			
5¼	2	.	...	Lindsay, C. W.	15	2¼	2	2	2
43	25	.	...	Do. pref.	28	40	43	40	43
28¼	20	1+25c	4.9	Loblaw (A)	430	26	26¼	25¼	26¼
27	20	1+25c	5	Do. (B)	86	24¼	25	24	24¾

M

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
.55	.10	.	...	Mackenzie Air	....	(.11 bid .35 asked)			
2¼	2¼	.	...	MacKin. Steel	....	(— bid — asked)			
59	59	.	...	Do. pref.	....	(55 bid — asked)			
22	9	.	...	Maclaren Pr. p.	....	(15¼ bid 17 asked)			
10	6¾	.	...	M. L. Gardens	....	(8¼ bid 10 asked)			
7	4	70c	...	Do. pref.	7	6	7	6¼	6¼
5¼	1¾	.	...	Maple Leaf M.	642	3	4	3¼	4
9¼	3	.	...	Do. pref.	329	5	6¼	5	6¼
17¼	16¼	70+10c	5	Maritime Tele.	....	(15¼ bid 16 asked)			
17¼	17	70c	4.1	Do. pref.	....	(— bid — asked)			
15	15	.	...	Marcus Loew's	....	(12 bid — asked)			
•100	100	7+5.25▲		Do. pref.	....	(— bid — asked)			
6¾	2¼	.	...	Massey-Harris	580	3¼	3¾	3¼	3¼
59¼	25	.	...	Do. pref.	405	33¼	35¼	34¼	35¼
9¼	5	.	...	McColl Fron.	168	6	6	5¾	6
101¼	80	6	6.3	Do. pref.	35	93¼	95	93	95
1.65	1.00	.	...	Melchers	....	(— bid 1.25 asked)			
6¾	3¼	.	...	Do. pref.	....	(4¾ bid 5 asked)			
•1¼	1¼	.	...	Mercantile Tran	....	(1¼ bid — asked)			
•5	5	§3%	...	Do. pref.	....	(4¾ bid — asked)			
12¼	5	.	...	Mercury Mills	50	6	6¼	6¼	6¼
43	43	2	4.6	Mitchell, J. S.	....	(47 bid — asked)			
112	110	7	6.2	Do. pref.	....	(112 bid — asked)			
15¼	5¾	.	...	Mitchell, Robt.	....	(9¾ bid 10¼ asked)			
20	12¼	80+40c	8	Mod. Contain.	....	(12 bid 17 asked)			
99¼	93	5.50	5.9	Do. pref.	15	93	96	96	96
6	2	.	...	Monarch Knit.	15	4	2¼	2¼	2¼
65	60	7	...	Do. pref.	....	(42 bid 61 asked)			
61	55	4	7.3	Montreal Cot.	....	(60 bid 70 asked)			
120	107	7	6.3	Do. pref.	10	111¼	112	112	112
.25	.10	.	...	Mont. Is. Pr.	....	(.25 bid 1.00 asked)			
31¾	25	1.50	5.2	Mont. L. & Pr.	1118	29¼	30	29	29¼
50	46¼	.	...	Do. Notes	41	49¼	49¼	49	49¼
15	15	§1.31¼	..	Montreal Loan	....	(15 bid — asked)			
.85	.50	.	...	Mtl. Refr. & S.	....	(— bid .50 asked)			
9	6	1.25	...	Do. pref.	....	(— bid — asked)			
45	38	3.20	8	Montreal Tele.	25	41	40	40	40
59¼	39	6	13.6	Montreal Trams	17	42¾	44	43	44
48	34¼	§1.70+60c	5	Moore Corp.	161	45	44¾	43	43¼
189	144	7	4	Do. pref. (A)	5	175	175	175	175
282	210	7	3.2	Do. pref. (B)	....	(258 bid 280 asked)			
.05	.05	.	...	Muirheads	....	(.05 bid .15 asked)			
1	1	.	...	Do. pref.	....	(— bid — asked)			

N, O

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
38	25	2	6.5	Nat. Breweries	291	29¼	30¼	29¼	30¼
42	32	1.75	4.6	Do. pref.	....	(38 bid 40 asked)			
8¼	4¾	.	...	Nat. Grocers	50	5	5	4¾	4¾
26¼	22	1.50	6	Do. pref.	25	25	25	25	25
10¼	7	.	...	N. Sew. Pipe, A	....	(5 bid 8 asked)			
69	34	2	4.4	Nat. Steel Car	395	45	46¼	45¼	46
193	188	8	4.2	National Tr.	....	(— bid 180 asked)			
9¼	9¼	60c	..	Neon Prod.	....	(— bid — asked)			
32¼	20	2	8	Niag. W. Weav.	....	(23¼ bid 26¼ asked)			
6¼	3	.	...	Noorduyn Av.	....	(3¼ bid 7 asked)			
1.30	.60	.	...	North Star Oil	....	(.90 bid — asked)			
4¼	3¼	35c	10	Do. pref.	....	(3¾ bid 3¼ asked)			
93	85	6	7	N. S. L. & Pr.	....	86 bid — asked)			
107¼	100	6	6	Do. pref.	....	(104 bid — asked)			
33¼	20	1	3.5	Ogilvie Flour	745	28	29	28	29
162	140	7	4.7	Do. pref.	....	(145 bid — asked)			
112	106	5	4.7	Ontario Loan	....	(108 bid 110 asked)			
5¼	4	.	...	Ont. Silknit	....	(— bid 5 asked)			
35	19	.	...	Do. pref.	10	25	19	19	19
5	3	.	...	Do. Script	....	(— bid 5 asked)			
12	5	75c	...	Ont. Steel	25	9¼	9¼	9¼	9¼
115	110	7	6.1	Do. pref.	....	(— bid 120 asked)			
4¾	2	.	...	Orange Crush	....	(— bid 3¾ asked)			
9¼	5	70c	...	Do. pref.	60	7	6¼	6	6¼
13¾	6¾	40c	4.6	Ott. Car Air.	30	8¾	10	9¾	10
11¾	7¼	1.20	11.4	Ottawa El. Rly.	....	(10¼ bid 11¼ asked)			
16	9¾	1	10	Ott. L. H. & Pr.	....	(10¼ bid — asked)			
103	90	5	5	Do. pref.	25	98	100	100	100

P, Q, R

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
21	18	3c	...	Pacific Coyle	....	(20 bid — asked)			
111¼	89¼	5+50c	5.4	Page Hersey	71	103	102¾	101¾	101¾
6	3¾	.	...	Pantepec Oil	....	(3¾ June 10)			
36	30	1.50	...	Paton Mfg.	....	(35 Apr. 17)			
115	115	7	6.1	Do. pref.	....	103¼ bid 115 asked			
72	46	3	6	Penmans	2	54¼	50	50	50
135	128¼	6	4.7	Do. pref.	....	(— bid 128 asked)			
24	15	1+50c	..	Photo Eng.	....	(14 bid 19 asked)			
101	95	7	7.4	Porto Rico P. p	....	(96 bid 100¼ asked)			
11¼	5¾	60c	7.5	Power Corp.	25	8	7¾	7¾	7¾
106¼	89	6	6.1	Do. pref.	10	98	98	98	98
47	42¼	3	6.8	Do. 2nd pref.	....	(— bid 44¼ asked)			
12¼	6	§75c	..	Pressed Metals	145	9	9¼	9	9¼
24	9	.	...	Price Bros.	1105	13	14	13¼	14
80¼	59¼	5¼+1.37½▲		Do. pref.	25	70	69	69	69
7¾	4	40c	...	Prov. Transport	25	5	5¼	5¼	5¼
17¼	13	1	6.8	Quebec Power	45	14¼	15	14¾	14¾
4¾	4	.	...	Que. Telephone	....	(4 bid — asked)			
30	24	2	8.3	Real Estate L'n.	....	(24 bid — asked)			
6	3	.	...	Regent Knit	....	(4 bid 4¼ asked)			
17	10	§1.20	..	Do. pref.	45	14¼	15	14	14
10	6	.	...	Reliance Grain	....	(2 bid 4 asked)			
66	64	§4.87½	..	Do. pref.	....	(63 bid — asked)			
•10¼	10¼	80c	...	Remington R'd.	....	(— bid — asked)			
28	23	2	8.7	River S. Mill.	25	23	23	23	23
3¼	1¾	.	...	Rogers Majest.	300	2¼	2	2	2
19¼	12	60c	4.8	Rolland Pap.	....	(12¼ Sept. 7)			
19¼	12	60c	4.6	Do. Vot. Trust	....	(13 Sept. 3)			
102¼	85	6	7	Do. pref.	....	(90 bid — asked)			
190	145¼	8	4.8	Royal Bank	29	167	165	160	160
17¼	15	80c	...	Russell Indust.	20	15	16	16	16
190	135	7	4.2	Do. pref.	18	160	165	165	165

S

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
107¼	99	5.50	5.5	Saguenay Pr. p.	....	(101 bid 108 asked)			
36	30	1+50c	4.7	Sangamo	....	(32 bid 34¾ asked)			
6	4¾	.	...	Sarnia Br. (A)	....	(5 bid 5¾ asked)			
2¾	1¼	.	...	Do. (B)	....	(— bid 2 asked)			
24¼	16	90c	4.6	Shawinigan Pr.	596	19	19¼	18¼	19
15	7	.	...	Sher. Wms.	....	(8¼ bid — asked)			
126	113	7+5.25▲	6	Do. pref.	....	(111¼ bid — asked)			
6¾	3	.	...	Silverwoods	....	(3 bid 5 asked)			
7¾	5	40+40c▲	...	Do. pref.	....	(5¼ bid 5¾ asked)			
9	5¼	60c	10.9	Simon & Son	25	6¼	5¼	5¼	5¼
105	100	7	7	Do. pref.	....	(— bid 105 asked)			
21¼	15	.	...	Simpson, A.	....	(10¼ bid 15 asked)			
12¼	3	.	...	Do. (B)	4	5	4	4	4
105	79	6.50+1▲	7	Do. pref.	127	95¼	96	90	95
130	126	6	4.8	Simpson, R., pf.	....	(115 bid 135 asked)			
15	9¼	80c	8.9	So. Can. Pr.	....	(— bid 12 asked)			
112	92	6	5.9	Do. pref.	7	101	102	100	102
5¼	2	.	...	St. Law. Corp.	300	3¼	3¼	3	3¼
21	10¼	80c	..	Do. (A)	70	15¾	15¾	15¼	15¾
30	17	1+50	8.8	St. Law. Flour	....	(18 bid 22 asked)			
125	120	7	5.8	Do. pref.	....	(— bid 120 asked)			
52¼	20	.	...	St. Law. Pap. p	95	34	38	35¾	38
14	7¼	§1.25	..	Stand. Chem.	....	(12¼ bid 14 asked)			
2	¼	.	...	Stand. Clay	8	¼	¼	¼	¼
2.00	.25	.	...	St. Pav. & Mat.	230	.50	.75	.50	.50
6¾	3¼	31¼c	..	Do. pref.	10	3¾	3¼	3¼	3¼
48	39	3	6.2	Stand. Steel, pf.	....	(38¼ bid 47¼ asked)			
28¼	22	60+60c	5	Stedman Bros.	....	(20 bid 25 asked)			
86¼	61¼	1.75‡	5.1	Steel of Can.	570	72	73	72	73
83	62	1.75	2.4	Do. pref.	45	71	73	72¼	73
4	3	.	...	Sterling Coal	....	(3 bid 4 asked)			
.25	.25	.	...	Stop & Shop	68	..	.25	.25	.25
12¼	10	80c	8	Stuart, D.A. pf.	....	(— bid 14 asked)			
3¼	2¾	.	...	Supersilk H.A.	....	(— bid 3 asked)			
4¾	4	.	...	Do. (B)	....	(— bid 4¾ asked)			
82	72	5	6.9	Do. pref.	5	80	72	72	72
34	30	1+50c	5	Sup. Pete. ord.	....	(— bid 35 asked)			
•37¼	35	1+50c	4	Do. com.	....	(32 bid — asked)			

T, U, V

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
12	8¾	80c	7.3	Tamblyn	175	11	11	10¾	10¾
53	52¼	2.50	4.8	Do. pref.	....	(52¼ bid — asked)			
3	3	.	...	Thayers	....	(1¼ bid 2¼ asked)			
36	20	3.50	...	Do. pref.	....	(20 bid 38 asked)			
1.50	.20	.	...	Thrift Stores	....	1.00 bid 2.00 asked			
12	6	.	...	Do. pref.	....	(8 bid 11 asked)			
13¼	9¼	60c	6.3	Tip Top Tailors	19	9¼	9¾	9¾	9¾
110	100	7	7	Do. pref.	....	(100 bid 105 asked)			
3	2	.	...	Tooke Bros.	....	(— bid 2 asked)			
12	5	.	...	Do. pref.	15	5	10	10	10
32	16	1	4.2	Tor. Elevators	....	(21¼ bid 23 asked)			
49¼	37	2.62½	6.2	Do. pref.	65	45	44	42	42
90	70	4	4.7	Tor. Gen. Tr.	....	(— bid 85 asked)			
98	90¼	5	5.5	Toronto Mtge.	....	(— bid 85 asked)			
160	145	7	4.8	Tuckett Tob. p.	....	(— bid 146 asked)			
2¾	2	.	...	Twin City	185	2	2	2	2
28	28	.	...	Do. pref.	....	(— bid — asked)			
17	12	80+20c	6.7	Union Gas	603	15	15	14¾	14¾
13¼	12	§40c	..	Un. Amuse. A.	10	13¼	13¼	13¼	13¼
13¼	11¼	§40c	..	Do. (B)	....	(13 bid 13¼ asked)			
•1.05	.90	.	...	Un. Cigar-W.	....	(— bid — asked)			
.85	.60	.	...	United Distill.	....	(.55 bid — asked)			
42	30	3	8.3	United Fuel, pf.	65	35	36	36	36
10	3	.	...	Do. B. pref.	100	4¼	5	5	5
5¾	2¼	.	...	United Secs.	....	(— bid 6 asked)			
6¼	2¼	.	...	United Steel	530	4	4¼	4	4¼
4¼	1¼	.	...	Viau Bisc.	....	(3¼ bid 4 asked)			
60	47	5	10.6	Do. pref.	....	(45 bid — asked)			

W, Y, Z

Range 1940 High	Low	Div R'te $	Sep21 Y'ld %	Company	Sales	Last Sept. 16	Week end. Sept. 23 H	L	Cl'se
37	22	2	6.7	Wabasso Cot.	95	27	30¼	27¾	30¼
43¾	29¾	4	9.7	Walker-Good.	1520	38¼	41¼	39	41¼
20¾	16	1	5.2	Do. pref.	209	19¼	19¾	19¼	19¾
1.25	.50	.	...	Walkerville Br.	125	.65	.65	.65	.65
135	120	7	5.2	W. Koot. Pr. pf.	....	(125 bid — asked)			
5	1¼	.	...	West. C. Flour.	35	1¾	1¼	1¼	1¼
47	21	.	...	Do. pref.	3	28	31	31	31
62	40	3	6.7	West Grocers	....	(45 bid 50 asked)			
112	103	7	6.5	Do. pref.	....	(105 bid 110 asked)			
•11	10¼	50c	...	W'minster Pap.	....	(— bid — asked)			
15	9¼	80c	6.5	Weston Ltd.	100	11¼	12¼	11¼	12¼
99	76	5	5.6	Do. pref.	10	89	90	90	90
24¾	16	1	5.6	Wilsils	50	18	19	19	19
2.63	.90	.	...	Winnipeg El. A.	364	1.25	1.25	1.00	1.20
2.37	1.00	.	...	Do. (B)	50	1.00	1.05	1.05	1.05
12	5	.	...	Do. pref.	15	7	7¼	7¼	7¼
85	60	7	10	Wood, A. & J. p	....	(67 bid 90 asked)			
70	30	.	...	Woods Mfg., pf.	....	(33 bid — asked)			
11	5¼	30c	...	York Knitting	....	(5¼ bid 7 asked)			
•100	100	7	7	Do. 1st pref.	....	(— bid — asked)			
13	8¼	.	...	Zellers	20	8¼	9	8¼	8¼
25	21	1.50	6.5	Do. pref.	50	23	23	23	23

Quotations: • 1939. * 1938.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1940. ■ Participating.
†Interim. §Paid or declared payable in 1940 to date.

Mining Stocks

Week Ending September 23.

A

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.01¼	.00¾	Afton	......	(.00¾ bid	.00¾ asked)		
No	.38	.10	Aldermac	9,800	.16	.21	.17	.19¼
1	.06¼	.01	Amm. Gold	500	.01¾	.01¾	.01¾	.01¾
No	3.00	1.30	Anglo-Huronian	......	(1.75 bid	2.30 asked)		
No	.40	.30	Argus Interests	......	(.30 bid	.... asked)		
No	.03	.01	Arno	......	(.... bid	.02¼ asked)		
1	.17	.04	Arntfield	2,000	.04¼	.05	.04¼	.04¼
1	.07	.02	Ashley	500	.03¼	.04	.04	.04
1	.04¼	.02	Astoria Quebec	......	(.03 bid	.04 asked)		
1	2.68	.90	Aunor Gold	3,336	1.65	1.77	1.63	1.77

B

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.10¼	.02	Bagamac	1,500	.02	.06¼	.05¼	.06¼
1	.28	.05	Bankfield	2,500	.09¼	.09	.08¼	.08¼
No	.33	.07	Base Metals	1,900	.09	.09	.08¼	.09
1	.09¼	.02¾	Bear Exploration	8,500	.05¼	.05	.05	.05
1	1.19	.70	Beattie Gold	400	.90	.95	.95	.95
1	.13	.03¼	Beaufor	......	(.05 bid	.08 asked)		
1	.52¼*	.10	Bidgood Kirk.	28,700	.11¼	.12¼	.11	.12¼
1	.14	.03	Big Missouri	2,764	.05¼	.04¼	.03¼	.03¼
1	.11¼	.03¼	Bobjo	4,500	.05¼	.05¼	.05	.05
1	.04¾	.02	Bouscadillac G.M.	......	(.02 bid	.04 asked)		
No	11.25	7.25	Bralorne	1,555	9.85	10.00	9.85	10.00
1	.06	.01¼	Brazil Gold	......	(.... bid	.06 asked)		
1	.01¾	.01	Brett Trethewey	1,000	.01	.01	.01	.01
1	.72	.28	Broulan Porc.	25,300	.63	.68	.63	.68
1	8.70	2.75	Buffalo Ankerite	695	3.50	4.75	4.50	4.75
No	.04¼	.01¼	Buffalo Can.	500	.01¼	.01¼	.01¼	.01¼
5	23.50	10.00	Bulolo Gold	500	15.50	15.50	15.50	15.50
No	.03¼	.01	Bunker Hill	......	(.01¼ bid	.02 asked)		

C

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
No	.90	.30	Can. Malartic	......	(.45 bid	.... asked)		
1	.03¼	.01	Capital Rouyn	......	(.... bid	.01 asked)		
1	2.67	1.65	Cariboo Gold	500	2.00	2.00	2.00	2.00
1	.02¼	.01	Cartier Malartic	1,000	.01	.01¼	.01¼	.01¼
1	.75	.45	Castle Trethewey	200	.56	.55	.55	.55
1	.20	.06	Cen. Cadillac	500	.07¼	.08	.08	.08
1	2.55	1.45	Cen. Patricia	363	1.80	1.88	1.82	1.88
1	.14	.03	Cen. Porcupine	12,000	.07	.07	.05¼	.05¼
1	.21	.08	Century Mining	3,500	.08	.17¼	.16	.17
1	1.05	.41	Chesterville	4,491	.90	.95	.90	.93
No	.58	.15	Chromium	600	.20	.20	.17	.20
5	2.00	.50	Coast Copper	100	1.15	.80	.80	.80
1	.78	.30	Cochenour Willans	14,800	.53	.55	.51	.55
5	1.65	1.30	Coniagas	......	(1.00 bid	1.40 asked)		
No	1.98	1.00	Coniaurum	1,000	1.32	1.35	1.28	1.35
5	49.00	28.50	Cons. Smelters	553	38.25	39.25	37.50	39.00

D, E

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	1.35	.50	Delnite	3,500	.59¼	.65	.60	.65
1	.08¼	.03	Denison Nickel	......	(.03¼ bid	.05 asked)		
No	29.50	16.00	Dome Mines	945	21.37	23.50	22.37	23.50
1	.04¼	.01¼	Dorval Siscoe	......	(.01¼ bid	.02¼ asked)		
1	.03¾	.00¾	Duparquet	6,000	.00¾	.01	.00¾	.00¾
1	.10¼	.02	Duquesne	......	(.02 bid	.05 asked)		
1	4.10	1.95	East Malartic	8,725	3.10	3.35	3.10	3.35
1	1.25	.20	Eldorado	8,650	.35	.36	.34	.36

F, G

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
No	5.05	1.70	Falconbridge	1,100	2.65	2.65	2.60	2.65
1	.06¼	.01¼	Federal	5,200	.02¼	.03¼	.02	.03¼
1	.07	.02	Fernland	......	(.... bid	.03 asked)		
No	.70	.19	Francoeur Gold	7,100	.37¼	.38	.36	.38
1	.10¼	.03¼	Gillies Lake	......	(.04 bid	.04¼ asked)		
1	.02¼	.01	Glenora	100	.01¼	.01	.01	.01
No	.69	.25	God's Lake	600	.35	.36¼	.35	.36¼
1	.23	.08	Goldale	5,367	.13	.12	.10	.12
50c.	.26	.22	Gold Belt	......	(.20 bid	.25 asked)		
1	.26	.05	Gold Eagle	13,700	.10	.07¼	.06¼	.07
1	.22	.07¼	Golden Gate	17,224	.10¼	.11¼	.10¼	.11¼
1	.01¾	.00¾	Goodfish	1,000	.01	.01	.01	.01
1	.03¼	.01	Graham Bosquet	......	(.01 bid	.01¼ asked)		
No	.05¾	.02¼	Grandora	......	(.04¼ bid	.05¼ asked)		
1	.04	.02	Grull Wihksne	......	(.... bid	.04 asked)		
1	.64	.31	Gunnar Gold	6,300	.37	.40	.36	.40

H, I, J

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.03¾	.00¾	Halcrow Swayze	......	(.00¾ bid	.... asked)		
1	.03¼	.01	Halliwell Gold	......	(.00¾ bid	.01¼ asked)		
1	8.00	4.50	Hallnor	50	5.25	5.50	5.50	5.50
1	1.48	.54	Hard Rock	10,025	.80	.97	.85	.95
1	.10	.03	Harker	2,000	.03¼	.03¼	.03¼	.03¼
1	.57	.30	Hedley Mascot	......	(.45 bid	.... asked)		
5	15.00	9.50	Hollinger	870	11.75	13.00	12.25	13.00
1	.40¼	.20	Howey Gold	3,130	.26	.28	.24	.28
No	34.00	19.50	Hudson Bay	812	26.00	26.50	26.00	26.50
1	.45	.15	Inspiration	3,000	.20	.25	.23	.23
1	•9.87	7.00	Inter. Mining	......	(.... bid	.... asked)		
No	47.00	27.50	Int. Nickel	2,470	36.50	38.50	37.00	38.50
50c.	1.00	.65	Island Mountain	......	(.75 bid	1.02 asked)		
1	.05	.01	Jacola	......	(.02¼ bid	.04 asked)		
1	.27	.13	Jack Waite	......	(.20 bid	.... asked)		
1	.19	.01¼	Jellicoe	......	(.02 bid	.03 asked)		
1	.04¾	.00¾	J. M. Cons. Gold	......	(.... bid	.01¼ asked)		
1	.08¼	.01¼	Joliet Quebec	1,000	.02	.01¼	.01¼	.01¼

K, L

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	2.75	1.20	Kerr Addison	6,957	2.60	2.75	2.58	2.75
1	.45	.28	Kerr Lake	......	(.10 bid	.39 asked)		
1	.07	.02	Kirk. Gold Rand	......	(.01 bid	.05 asked)		
1	.32	.11	Kirk. Hud. Bay	4,000	.14	.12	.12	.12
1	1.54	.70	Kirkland Lake	7,810	.93	1.00	.95	1.00
1	.18	.07	Kirk. Townsite	......	(.07¼ bid	.... asked)		
1	32.00	15.25	Lake Shore	820	21.50	22.00	21.50	22.00
No	7.25	4.75	Lamaque Gold	738	5.00	5.15	5.00	5.15
1	.22¼	.05	Lapa Cadillac	2,300	.06¼	.07	.07	.07
1	.05¼	.01	Lebel Oro	......	(.01¼ bid	.02 asked)		
1	.88	.41	Leitch Gold	4,267	.56	.53	.52	.52
No	3.40	1.71	Little Long Lac	2,600	2.10	2.20	2.00	2.15

M

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	4.80	2.25	Macassa	3,065	3.30	3.55	3.35	3.50
1	2.55	1.00	MacLeod Cockshutt	16,990	2.16	2.45	2.21	2.40
1	.62	.20	Madsen Red Lake	30,090	.39	.46	.39	.45
1	1.45	.54	Malartic Gold	23,300	1.00	1.15	1.00	1.12
No	.12	.03	Mandy	500	.03	.06	.06	.06
No	.01¾	.00¼	Man. & Eastern	1,500	.00¾	.01	.00¾	.01
1	.04¾	.00¾	Maralgo	1,000	.02	.01¼	.01¼	.01¼
5	58.00	37.25	McIntyre	190	46.00	46.00	46.00	46.00
1	1.47	.85	McKenzie R.L.	6,105	.94	.96	.94	.95
1	.15¼	.04	McVittie Graham	500	.08	.07	.07	.07
No	.58	.20	McWatters	1,600	.29	.30	.30	.30
5	.39	.39	Mentor Exploration	......	(.12 bid	.49 asked)		
No	1.33	.40	Mining Corp.	100	.67	.70	.70	.70
1	.05	.05	Moffatt Hall	......	(.... bid	.... asked)		
1	.93¼	.36	Moneta	8,000	.60	.63	.60	.62
1	.08	.02	Morris Kirk.	8,100	.02¾	.03¼	.02¾	.02¾
1	.02¼	.01	Murphy	2,000	.01	.01¼	.01¼	.01¼

N, O

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.37¼	.12	Naybob	50,200	.20¼	.27	.20¼	.27
No	.04¾	.01	Newbec	......	(.02 bid	.02¼ asked)		
1	.09¼	.05	New Golden Rose	......	(.... bid	.07 asked)		
5	1.40	.75	Nipissing	......	(.95 bid	1.20 asked)		
No	78.75	42.75	Noranda	1,063	55.00	57.50	55.00	57.50
No	.60	.20	Nor. Canada	17,160	.40	.60	.50	.58
1	.06¾	.02	Norgold	......	(.03¼ bid	.04 asked)		
No	.62	.15	Normetals	1,000	.30	.40	.40	.40
1	9.85	7.25	Northern Empire	......	(6.50 bid	8.50 asked)		
1	1.82	.50	O'Brien	495	.95	1.00	.86	1.00
1	.34	.10	Omega	381	.17¼	.15	.15	.15
No	.61	.17	Oro Plata	2,000	.26	.32	.32	.32
1	.10	.05	Osisko	----	(.03 bid	.06 asked)		

P, Q, R

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
No	2.35	.78	Pamour	2,043	1.05	1.20	1.03	1.20
1	.10¼	.02	Pandora	2,000	.05	.05¼	.05	.05¼
1	2.65	1.40	Pato Cons. G.	1,800	2.35	2.20	2.20	2.20
1	.10	.02	Partanen Mal.	500	.04	.04	.04	.04
1	.02	.00¼	Pawnee Kirk.	1,000	.01	.01	.01	.01
1	.53	.20	Paymaster	10,400	.23	.25¼	.24	.25
1	2.35	.90	Pend Oreille	5,025	1.45	1.65	1.46	1.65
1	2.12	1.01	Perron Gold	1,800	1.60	1.75	1.55	1.75
1	4.30	2.12	Pickle Crow	1,267	2.70	2.80	2.75	2.79
1	2.35	1.45	Pioneer Gold B.C.	866	2.25	2.10	2.10	2.10
1	14.50	9.00	Placer Devel.	......	(8.50 bid	10.00 asked)		
1	2.18	.55	Powell Rouyn	3,300	.80	.90	.84	.90
1	1.42	.68	Premier Gold	200	1.00	.99	.99	.90
1	2.40	1.30	Preston E. Dome	12,985	1.87	2.05	1.90	2.05
No	.35	.20	Prospectors Air's	......	(.15 bid	.... asked)		
1	.42	.20	Quebec Gold	......	(.20 Aug. 16)			
No	.08	.02	Quemont	1,950	.02	.03	.02	.02
No	.08¼	.01	Red Crest	......	(.02 bid	.05 asked)		
1	.57	.12	Reno Gold	1,500	.17	.15	.15	.15
1	.26	.20	Reeves McDonald	......	(.26 June 7)			
1	.00¾	.00¼	Robb Montbray	......	(.00¼ bid	.01 asked)		
1	.06¼	.02¼	Roche Long Lac	9,100	.04	.04	.03	.04

S, T, U, V, W, Y

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	2.50	1.25	San Antonio	6,235	1.90	2.05	1.89	2.00
1	.15	.04¼	Sand River	560	.06¼	.06	.04¼	.06
1	.57	.10	Senator Rouyn	8,100	.26	.27	.24	.27
1	.05¼	.01	Shawkey	7,200	.01¼	.02¼	.02	.02¼
50c.	1.24	.75	Sheep Creek	2,081	1.00	.98	.93	.95
1	1.18	.50	Sherritt Gordon	8,930	.68	.77	.65	.77
1	8.75	4.00	Sigma Mines	247	6.50	8.00	6.50	6.50
1	.95	.53	Siscoe	7,875	.62	.63	.57	.61
1	.61	.20	Sladen Malartic	11,800	.43	.48	.43	.48
1	.07¼	.02¼	Slave Lake	3,500	.04	.06	.05	.06
1	.21	.07¼	St. Anthony	2,000	.11	.11	.11	.11
No	3.10	1.05	Steep Rock	6,625	1.50	1.55	1.49	1.52
No	.08¼	.03	Straw Lake	9,500	.04	.04¼	.04	.04
1	.21	.09	Sturgeon River	4,000	.12¾	.14¼	.13¼	.14¼
No	2.05	.80	Sudbury Basin	5	1.00	1.00	1.00	1.00
1	.08¼	.03¼	Sudbury Contact	500	.04¼	.03¼	.03¼	.03¼
1	1.02	.45	Sullivan Cons.	2,800	.59	.65	.58¼	.65
1	3.45	1.90	Sylvanite	1,650	2.50	2.45	2.40	2.45
1	4.15	2.40	Teck Hughes	830	3.25	3.25	3.15	3.25
1	.08¼	.02¼	Temiskaming	......	(.04 bid	.05¼ asked)		
1	1.90	1.00	Toburn Gold	300	1.25	1.25	1.25	1.25
1	.35	.09	Towagmac	......	(.14 bid	.18 asked)		
1	1.12	.25	Uchi Gold	500	.45	.43	.43	.43
	97.00	64.00	Do., Bonds	......	(85.00 bid	90.00 asked)		
1	.97	.54	Upper Canada	24,155	.87	.95	.88	.95
No	4.35	1.75	Ventures	1,415	2.30	2.75	2.40	2.75
No	6.05	2.65	Waite Amulet	1,521	3.35	3.60	3.40	3.60
1	.16	.06	Wendigo	10,760	.12	.12¼	.10¼	.11¾
1	.03¼	.01¼	Wiltsey Coghlan	......	(.00¾ bid	.02 asked)		
1	.32	.08	Wood Cadillac	2,200	.10	.11	.10¼	.11
No	8.25	4.70	Wright-Hargreaves	2,285	6.25	6.40	6.15	6.40
No	.07	.04	Ymir Girl	500	.05	.04¾	.04¾	.04¾

Oil Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
No	.06	.02	Acme Gas & Oil	500	.04¼	.05	.05	.05
1	.21	.05¼	Alta. Pac. Cons.	5,800	.12	.14	.12	.14
1	.22¼	.10	Ajax	......	(.11 bid	.... asked)		
No	1.03	.40	Anglo Canadian	2,600	.56	.62	.58	.62
No	.07	.06	Anaconda	......	(.03 bid	.... asked)		
No	.18	.06	Br. Dominion	......	(.05 bid	.... asked)		
No	.19¼	.06¼	Brown Oil	4,500	.11	.11	.11	.11
92.50	75.00	65.00	Do., pref.	......	(.... bid	81.00 asked)		
No	2.39	1.00	Calgary & Ed.	1,508	1.41	1.50	1.45	1.50
1	.47	.18	Calmont	......	(.24 bid	.26 asked)		
No	.33	.15	Commoil	......	(.22 bid	.27 asked)		
No	.32	.10	Common Pete	1,000	.22	.22	.21¼	.23
No	.55	.15	Dalhousie	......	(.25 bid	.... asked)		
No	.35	.10¼	Davies Pete	......	(.13 bid	.15 asked)		
No	.08	.02	East Crest	4,000	.07	.05¼	.05	.05¼
No	.26	.15	Extenson Oil	......	(.17 bid	.17¾ asked)		
No	.40	.27	Federated Pete	300	.35	.35	.30	.35
25c.	.09	.05¼	Firestone Pete	......	(.05 bid	.07 asked)		
No	1.05	.30	Foothills	......	(.55 bid	.63 asked)		
25c.	.11	.06	Foundation Pete	......	(.06 bid	.11 asked)		
No	.18	.17	Hargal	......	(.... bid	.20 asked)		
No	.19¾	.07	High Sarcee	......	(.09¼ bid	.... asked)		
No	3.10	1.30	Home	6,200	1.88	1.93	1.85	1.93
1	.07¼	.01¼	Homestead O. & G.	......	(.03¼ bid	.03¼ asked)		
No	.14¼	.05	McD. Segur	1,000	.06¼	.07¼	.07¼	.07¼
1	.30	.16	Model	......	(.18 bid	.21 asked)		
25c.	.09	.04¼	Monarch Royalties	......	(.04 bid	.07 asked)		
25c.	.21¼	.04	National Pete	......	(.... bid	.05 asked)		
1	.07¼	.02	Nordon	1,400	.03	.04	.04	.04
No	.02¾	.01¼	Oil Selections	......	(.01¼ bid	.02 asked)		
No	1.35	.60	Okalta	3,100	.78	.91	.90	.90
No	.06¾	.02¼	Pacalta	1,500	.04	.04¼	.04	.04¼
1	.40	.20	Pacific Pete	......	(.24¼ bid	.... asked)		
No	.35	.25	Petrol Oil & Gas	......	(.25 bid	.... asked)		
25c	.22	.12	Prairie Royalties	......	(.11 bid	.13 asked)		
No	36.50	17.63	Royalite	......	(22.00 bid	.... asked)		
No	.62¼	.20	South West Pete	......	(.20 bid	.... asked)		
No	.07¼	.01¾	South End	3,000	.02	.02	.02	.02
5	2.25	.90	Texas Can.	......	(1.10 bid	1.50 asked)		
No	.08¼	.03	United Oils	......	(.04¼ bid	.... asked)		
1	.17¼	.06	Vermilata	3,600	.10	.11	.08	.10
1	.60	.25	Vulcan	......	(.26 July 6)			
No	.04	.01¼	West Flank	......	(.... bid	.02 asked)		

Vancouver Stocks

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.14	.04	Big Missouri	2,000	.04¾	.05	.05	.05
No	11.25	7.55	Bralorne	650	9.85	9.80	9.75	9.80
1	.01¼	.01¼	Bridge River Cons.	......	(.... bid	.01 asked)		
1	2.70	1.65	Cariboo Gold	......	(2.00 bid	.... asked)		
No	.01¼	.01	Dentonia	......	(.... bid	.01 asked)		
No	.02	.00¼	Fairview Amal.	......	(.00¼ bid	.01 asked)		
1	.20	.10	George Copper	......	(.10 bid	.... asked)		
1	.05	.02¼	Golconda	350	.02¼	.02¼	.02¼	.02¼
50c.	.28	.15	Gold Belt	2,000	.23	.22	.22	.22
50c.	.17	.08	Grandview	3,915	.14	.16	.14¼	.15¼
1	.04¼	.01¼	Grull Wihksne	......	(.02¼ bid	.03¼ asked)		
1	.57	.30	Hedley Mascot	500	.50	.50	.50	.50
No	.00¾	.00¾	Home Gold	......	(.00¾ bid	.00¾ asked)		
1	.01	.00¼	Indian Mines	......	(.00¾ bid	.... asked)		
50c.	1.10	.63	Island Mountain	......	(.72 bid	.... asked)		
1	.38	.30	Inter'tl Coal	......	(.30 bid	.... asked)		
50c.	.85	.25	Kootenay Belle	......	(.25 bid	.30 asked)		
1	.25	.17	McGillivray Creek	......	(.16 bid	.... asked)		
No	.05¼	.01	Minto Mines	......	(.01 bid	.01¼ asked)		
50c.	.04¼	.01	Nicola	1,000	.01¼	.01¼	.01	.01¼
1	.13	.07¼	Pacific Nickel	......	(.06¼ bid	.08 asked)		
1	2.35	1.05	Pend Oreille	335	1.40	1.55	1.45	1.55
1	2.50	1.45	Pioneer Gold	400	2.06	2.15	2.05	2.05
50c.	.02¼	.01¼	Porter Idaho	1,500	.01¼	.01¼	.01¼	.01¼
No	.01¼	.00¾	Premier Border	36,500	.01¼	.01¼	.01¼	.01¼
1	1.42	.72	Premier Gold	2,250	1.00	1.00	.95	.98
No	.94	.37	Privateer Mines	4,800	.42	.45	.43	.43
1	.03¼	.01	Quatsino Copper	......	(.01 bid	.... asked)		
1	.14¼	.02¼	Relief Arlington	2,100	.02¼	.03	.02¼	.02¼
1	.30	.15	Reeves McDonald	500	.25	.22	.22	.22
1	.57	.09	Reno Gold	200	.15	.15	.15	.15
1	.06¼	.04	Sally Mines	......	(.... bid	.06 asked)		
50c.	.05¼	.02	Salmon Gold	3,000	.05	.03¼	.03	.03
50c.	1.22	.75	Sheep Creek	3,400	.95	.95	.95	.95
1	1.31	.60	Silbak Premier	......	(.60 bid	.80 asked)		
No	.02	.00¼	Silvercrest	......	(.00¼ Sept. 4)			
1	.05	.05	Sunloch	......	(.05 May 11)			
50c.	.11¼	.05	Surf Inlet	......	(.08 bid	.... asked)		
No	.03	.02	Taylor Bridge	......	(.02 bid	.... asked)		
20c.	.01¼	.00¼	Wellington	......	(.... bid	.01 asked)		
50c.	.00¾	.00¾	Wesko	......	(.... bid	.00¼ asked)		
1	.04	.01	Whitewater	......	(.01¼ bid	.... asked)		
No	.07¼	.04	Ymir Yankee Girl	......	(.04¼ bid	.05¼ asked)		

Oil Quotations

Par Val.	Range 1940 High	Low	Company	Sales	Close Sept. 16 (or last)	High for week	Low for week	Close Sept. 23
1	.22	.08	Alta. Pac. Cons.	4,046	.11	.15	.11	.15
1	.00¾	.00¼	Amalgamated	......	(.... bid	.00¼ asked)		
No	1.02	.45	Anglo Canadian	700	.58	.60	.48	.48
No	.07¼	.03	Anaconda	......	(.03¼ bid	.... asked)		
No	.18¼	.06	Brown Oil	2,000	.08	.11	.10	.10¼
No	.13	.05	Brit. Dominion	......	(.05 bid	.... asked)		
No	2.33	1.00	Calgary & Ed.	350	1.40	1.45	1.41	1.45
1	.46	.18	Calmont	4,000	.23	.25	.23	.24
No	.32	.17	Commoil	......	(.21 bid	.27 asked)		
1	.29	.16	Commonwealth	......	(.22 bid	.26 asked)		
No	.50	.20	Dalhousie	155	.25	.27	.25	.25
No	.31	.15	Davies Pete	......	(.12¼ bid	.... asked)		
No	.08	.02¼	East Crest	......	(.04¼ bid	.05¼ asked)		
No	.26	.15	Extension	1,500	.17	.17¼	.17	.17
No	.37	.30	Federated Pete	1,100	.37	.37	.37	.37
25c.	.08¼	.05	Firestone	1,000	.05	.05	.05	.05
No	1.05	.38	Foothills	600	.45	.57	.52	.52
25c.	.10	.10	Foundation Pete	......	(.10 April 9)			
No	.12	.08¼	Four Star	......	(.11 bid	.12 asked)		
No	.17	.09	High Sarcee	......	(.10 bid	.12 asked)		
No	3.10	1.31	Home Oil	950	1.86	1.92	1.87	1.88
No	.03	.01¼	Madison	6,500	.02	.02	.02	.02
No	.04¼	.00¾	Marjon Oil	......	(.01 bid	.... asked)		
No	.15	.05¼	McD. Segur Ex.	8,000	.09	.09¼	.08	.09¼
No	.08	.05	McLeod	......	(.05 Mar. 4)			
No	.07¼	.03	Mercury	......	(.... bid	.06 asked)		
No	.07¼	.04	Mill City Pete	......	(.04 bid	.... asked)		
1	.31	.12	Model	200	.20	.19	.19	.19
25c.	.08¼	.04	Monarch Royal.	......	(.04 bid	.... asked)		
25c.	.21	.05	National Pete	......	(.05 Sept. 4)			
1	.05	.04	Nordon	......	(.04 bid	.... asked)		
No	1.31	.58	Okalta	1,000	.80	.90	.85	.90
No	.05¼	.03	Pacalta Oil	......	(.... bid	.05 asked)		
1	.42	.19	Pacific Petroleums	2,150	.30	.32	.30	.30
25c.	.21¼	.11	Prairie Royal	500	.12	.11	.11	.11
No	.10¼	.06	Royal Crest	......	(.07¼ bid	.... asked)		
No	36.00	15.00	Royalite	......	(22.50 bid	.... asked)		
No	.19¼	.11	Royal Canadian	7,000	.11¼	.11¼	.11	.11
No	.07¼	.03	South End	......	(.... bid	.03 asked)		
No	.60	.21	Southwest Pete	......	(.24 bid	.... asked)		
1	.06	.02	Spooner	......	(.03 bid	.... asked)		
25c.	.38	.18¼	Sunset Oil	......	(.... bid	.18¼ asked)		
No	.09	.03¼	United	500	.04¼	.04¼	.04¼	.04¼
No	.07	.03¼	Vanalta	1,000	.04	.04	.04	.04
1	.63	.23	Vulcan	......	(.25 bid	.40 asked)		
No	.05	.03	West Flank	......	(.05 May 11)			

Winnipeg Stocks

(Transactions from Sept. 16 to Sept. 21)

	Sales	High for period	Low for period	Close Sept. 21
Central Manitoba	2,000	.02	.02	.02
Sachigo River	140	1.50	1.50	1.50
United Grain	7	7.75	7.63	7.75
Western Breweries	100	1.45	1.40	1.40
Western Grain, pfd.	2	5.00	5.00	5.00
Western Steel	85	8.00	8.00	8.00
Wingold	500	.05	.05	.05

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c.	..	4
Do., pref.	..	102
Can. Airways	1	..
Can. Indemnity	120	..
Cres. Cream., p.	..	8
Dom. Envelope, p.	87	..
Do., com.	6¼	..
Federal Grain, p.	28	..
Do., com.	..	1¼
Monarch Life	33	..
Nor. C. Mtge., p.	5	..
North. Trusts	..	7
Traders Bldg.	40	..
Wings	.15	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 24	8,000	12,500	226,000	......
Sept. 23	5,900	17,000	175,000	......
Sept. 21	2,800	3,200	82,000	20,720
Sept. 20	4,000	5,700	103,000	12,400
Sept. 19	10,400	4,200	104,000	22,450
Sept. 18	6,100	5,800	104,000	37,451

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds Sept. 23, 1940

%	Due	Bid	Ask.	Approx. Yld.
1	Mar. '41	99¾	100¼	.45
5	Nov. '41	103¾	104¾	1.20
1¼	May '42	100¼	100¾	1.14
2	June '42	100¼	101¾	1.20
3	Oct. '42	102¾	103¼	1.40
2¼	June '43	102	102¼	1.55
5	Oct. '43	108¼	109¼	1.90
2	June '44	100¾	101¼	1.69
a2½	Jan. '44	92¼	93¼‡	4.37
4½	Oct. '44	108¼	109¼	2.12
2½	Nov. '44	101¾	102¼	1.87
a2½	Aug. '45	91	92‡	4.32
4	Oct. '45	105¼	106	b1.96
4½	Feb. '46	109¾	110¼	2.42
3¼	June '49	101¾	102¼	b2.77
3¼	Oct. '49	102¼	103	b2.71
3¼	Nov. '51	100	100¾	b3.14
3¼	Feb. '52	100	100¾	b3.14
a5	May '52	96¼	100‡	5.00
4	Oct. '52	104¾	105¼	b3.13
3	June '55	97¼	98¾	3.16
4½	Nov. '56	107¼	108	b3.06
4½	Nov. '57	107¾	108¼	b3.16
3	June '58	96¼	97¼	3.20
4½	Nov. '58	108¼	109¼	b3.20
4½	Nov. '59	109¼	110	b3.23
a4	Oct. '60	92	93‡	4.54
a3¼	Jan. '61	82¾	84¼‡	4.43
3¼	June '66	98¾	99¼	3.28
a3e	Jan. '67	81	82¼‡	4.10
a3e	Nov. '68	81	82¼‡	4.05
†3	Perpet'l.	88¼	89¼	3.35

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100¼	101¼	1.49
2¼	Jan. '46	99¼	100¼	2.20
3	May '44	103¼	104	1.85
3	Dec. '50	97¾	98¼	3.16
3	Feb. '53	96¾	97¼	3.24
3	Jan. '59	95¾	96¼	3.25
*4½	Sept. '51	111¾	112¾	3.12
*4½	Feb. '56	112¼	113¼	3.39
4½	July '57	112¼	113¼	3.44
*4½	June '55	114¼	115¼	3.44
5	Feb. '54	115	116	3.50
*5	July '69	112	113	b2.64
*5	Oct. '69	116	117	b3.30
*5	Feb. '70	115¾	116¾	b3.37

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	97¼	98¼	3.12

Provincial Govt. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	83	85	4.77
3½	Aug. '49	87	89	4.78
3½	June '56	85	87	4.66
c4	Nov. '47	95	97	4.50
c4½	Apr. '61	96¼	98¼	4.61
c5	Jan. '60	100	102	4.84
Nova Scotia:				
3	Jan. '52	91	92	3.87
3½	June '56	90¼	91¼	3.97
3½	Nov. '50	97	99	3.61
c4½	Sept. '52	104¼	106¼	b3.45
c4½	Nov. '60	104¼	107	4.00
c5	Mar. '60	110	112	4.10
Ontario:				
2½	May '45	99¼	100¼	2.44
3	Apr. '48	97¼	98¼	3.22
3	Nov. '50	96¾	97¾	3.28
3½	Nov. '51	98¼	99¼	3.30
3½	May '55	97¼	98¼	3.38
*4	June '62	104	106	3.60
4½	June '50	108¼	109¼	3.35
*4½	Jan. '62	110¼	112¼	3.65
5	Oct. '48	110¼	111¼	3.36
*5	Dec. '60	117	119	3.67
5½	July '46	110¼	111¼	3.20
Ont. Hydro Commission:				
3	Aug. '48	97¼	98¼	3.21
3½	Feb. '53	98¼	99¼	3.32
3½	Apr. '47	100¾	101¾	3.20
Prince Edward Island:				
3	Oct. '45	94¼	96	3.87
Quebec:				
3	Nov. '47	94	95	3.78
3½	Mar. '48	95	96	3.97
3½	Mar. '54	91	92	4.02
3½	Mar. '59	91¼	93	4.04
4	Mar. '52	99	101	3.89
4½	Aug. '58	100¼	102	4.09
4½	Jan. '63	103	105	4.18
Alberta:				
4	Dec. '54	52¼	58¼	d
4½	Oct. '51	60	..	d
c4½	Oct. '56	54¼	58¼	d
*5	Oct. '59	56¼	60¼	d
c5½	Apr. '52	62	66	d
6	Mar. '47	64¼	68¼	d
British Columbia:				
c4	Dec. '57	95	98	4.18
*4½	Jan. '51	99¼	102¼	4.20
c4½	Oct. '53	99¼	102¼	4.25
c5	Apr. '54	102¼	106¼	4.39
5½	Feb. '45	101	105	4.34
6	Feb. '47	103	107¼	4.63
Manitoba:				
c4	Dec. '57	86	90	4.89
c4½	Dec. '56	88	92	5.23
*5	Dec. '59	93	97	5.25
5½	Oct. '55	95¼	99¼	5.55
6	Apr. '47	98¼	102¼	5.54
Saskatchewan:				
4	Sept. '54	70	74	6.93
4	Nov. '60	69	73	6.38
c4½	Oct. '51	82¼	86¼	6.29
c4½	Mar. '60	73	77	6.82
5	Aug. '58	77	81	6.85
5½	Oct. '52	82¼	86¼	7.29
6	Mar. '52	86¼	90¼	7.23

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 24, 1940

Industrial:	Bid	Ask.
Acme Farm. D.	22¼	26
Andian National	29¾	31¼
Anglo C. Tel., A	8¼	9¼
Atlas Steel	16¼	..
Barrymore, pfd.	27	..
Blue T. Brew. A	7¼	..
Do., B	4¼	6
B. C. Pulp, c.	15	17
Do., pfd.	60	70
B. C. Sugar	75	78
Burns & Co., A	5	6¼
Do., B	3¼	4
Can. Col. Air.	3	4¾
C. I. L., A c.	225	..
Can. Ing. Rand	69	72
Can. Tube, 1st p	67	72
Chase, A. W., p.	17¼	19¼
Claude Neon, p.	5¾	7
Colonial Steam.	15	17
Cope. Flour unit	12	15
Dom. Manuf., p.	61	65
Dover Ind.	7¼	..
Dunlop T. p. $25	22¼	23¼
Easy Wash. p $10	7¾	9
Goderich Elev.	7	8
Guard. Realty p	16	19
Guelph Carp., p	98¼	102
Do., com.	16	19
Gurney Fdy., p.	1¼	1¼
Hayes Steel, c.	9¼	10¼
Hi'land Dairy, p	46¼	52¼
Inglis, John, c.	4¾	6¼
Ingram & Bell	21	25
Kingston Sh. un	22	24
Loblaw Inc., c.	12	13
Morrison Br. un	5¼	7

	Bid	Ask.
M'row Screw. p.	98¼	..
Do., com.	9¼	..
Neilson, Wm., c	9¼	..
Do., pfd.	100	..
N. B. Tel., c.	13	15
N. Meth. Ldy., p	52	58
Niag. L. A. Br.	52	..
Ont. Tobacco, p.	12	..
Paterson Wm., p	101	..
Prov. Paper, pfd	101	103
Ruddy, E. L., p.	24	27
Seal O Sac (Can.)	¾	1¾
Stand. Fuel, p.	56	62
Stedman, pf. $50	55	58
Tor. Carpet, c.	29	32¼
Do., pfd.	60	65
Un. F. Co-op.	2	3
Un. Steel, A pf.	22¼	24
Viceroy p. & rts.	25	..
Trusts & Loan Stocks:		
Brit. Mtge.	124	..
Capital Tr.	26¼	29¼
Com. Fin., c.	2¾	3
Grey & B. Tr. $50	43	46
Guaranty Trust	97¼	101
Guelph & C. $50	52¼	55
Lambton Loan	32	34
London & West.	35	40
Sherbrooke Tr.	120	..
Sterling Trust	57	..
Traders Fin. A c	9	11
Do., A pfd.	75	79
Trusts & Guar.	24	25
Victoria Trust	72	80
Insurance Stocks:		
Brit. Amer.	53	57¼
Canada Life	412	435

	Bid	Ask.
Confed., 30% pd	132	140
Crown, fully pd	235	273
Dominion Fire	134	..
D. of Can. Gen.	101	112¼
Empire 25% pd.	5	6¼
Excelsior 36% pd	57¼	62¼
Federal 25% pd.	51	55
Great-West Life	210	225
Imperial Life	285	300
Manufac. Life	227¼	245
Sov. L., 25% pd.	11¼	14
Sun Life	375	400
Tor. General	5	5¾
Wellington Fire	58	..
Western Assce.	41	43¼
Do., pref.	41	44
Theatre Stocks:		
Allens, King., p	60	65
Do., Lond., p.	52¼	56
Do. St. Cath. p	51	54
Do., Tor., p.	32	35
Mansf. Theat., p	26¼	30
Para., Kitch., p.	50	55
Do. Oshawa, c	9	11
Investment Trust Shares:		
Can. Investors	5	6
Deb. & Sec., pf.	60	..
Sec's. Hold., pf.	18	22
United Corp., A	17¼	18¼
Do., B	5	6
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	97¼	100
Gt. Lakes Pr., p	99	103
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	78	87

Unlisted Mines

Toronto, Sept. 24, 1940

	Bid	Ask
Acordia	.25	.27
Addington	.01¼	.02
Albany R	.11	.13
Amal Kir	.06	.07
Anoki	.06¼	.07¼
Arjon	.01¼	.02
Armistice	.01¼	.02¼
Argosy	.05¾	.06¾
Area	.03	.03¾
Arno	..	.01¼
Athona (Old)	.01	.02
(New)	.02	.03
Barb Lard	.01¾	.02¼
Brock	.20	.22
Bilmac	.00¾	.01¼
Buff Bear	.01	.02
Bonetal	.30	.35
Calder Bo	.03	.05
Central M	.02	.02¼
Cheminis	.02¼	.03¼
Coin Lake	.02¼	.04
Cons Chib	.04	..
Crescent	.00¾	.01¼
Dayton	.01¾	.03
Demp Cad	.00¼	.01
Desants n	.10¼	.12

	Bid	Ask
Dona Pat	.02¼	.03
E Lacoma	.00¼	.01
Elmos	.04¼	.06
Franco	.25	.30
Galore	.02	.03
Gate Pat	.00¼	.01
Gilbec	.00¼	.01
Gordon L	.00¼	.01¼
Hiawatha	.05	.08
Hoyle nw	.22	.24
Hugh PaP	.04	.05¼
Hutch Lke	.02¼	.03
Jolliette	.01¼	.02¼
Keora	.01	.02
Kenricia	.01	.02
Kewagama	.01	.02
Kiena	.07	.09
Kirk Gate	.01	.02
Lacoma	.00¾	.01¼
Lake Duf	.20	.22
Lake Gen	.07	..
Lw Pete	.15	.20
Magnet C	.83	.86
Magnet L	.16	..
Magwell	..	.03
Martin Br	.02¼	.03¼
Margaret	.03	..

	Bid	Ask
Mata Cana	.05	..
Mof Hl n	..	.02
Mooshla	.02	.02¾
Monarch	.01¼	.01¾
Mosher	.07¼	.09
Nat Mal	.37	.40
Negus	.55	.65
New Roy	.00¼	.01
Nickel O	.75	.95
Norbeau	.14	.19
Norlake	.01	.02
North Am Moly'm	..	.17
Norwin	..	.08
Oklend	.07	.08
O'Leary	.01¼	.01¾
Opemiska	.02	.05
Oriole	.01	.01¼
Orpit	.01	.02
Ossian	.01	.02
Pacsack	..	.06
Pascalis	.26	.30
Phoenix	.02	.03
Pontiac R (Old)	.03	.05
Pelangio	.01¾	.02¼
Polaris	.19	.21

	Bid	Ask
Propri'y	1.85	2.05
Presdor	.02¾	.03¼
Queb Man	.05¼	.07
Rahn Lke	.02	.03¼
Rand Mal	.09	.11
Red Lake	.02	..
Sachigo	1.50	2.25
Senore	.08	.10
Shenango	.02¼	.03
Sheldon	.03¼	.05
Siscoe Ex	.01¾	.02¼
Skynner	.05	.07
Smelters G	.00¼	.01
Spooner	.03	.05
Sunbeam	.03	.04
Springer	.04	.05
Stadacona	.06	.09
Thomson	.09	.11
Thomp Cd	.03	.05
Treaty P	..	.13
Union Min	.03	.04¼
Wasu	.04	.06
West Red	.01¾	.02¼
Winoga cum rts	.02	.03
Woco	.03	.05
Y David'n	.22	.25

Montreal, September 24, 1940

	Bid	Ask
Cad Exp	.02	.04
Chibmac	..	.02
C Pand'ra	..	.02
Cournor	.10	..
Dubisson	.07	..
L Rowan	.03	.05
Obalski	..	.03
Pan Can	.06	.07
Scott Ch	.02¼	.03¼
Westwd C	.01	.02

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 24, 1940

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 24	Asked	Bid Sept. 17
†Assoc. Tel. & T.	5¼	'55	75	78	74¼
B. C. Power	4¼	'60	98	101	97¼
B. C. Tel.	4¼	'61	103	...	103
†Calgary Pwr.	5	'60	105	...	103¼
Do.	5	'64	102	...	101¼
†Can. Nor. Pwr.	5	'53	105	...	104¼
*Dom. Gas & El.	6¼	'45	100¼	...	97¼
Gatineau Pwr.	5	'49	102	105	102
Do., A	3¾	'69	96	99	96
Gt. Lakes Pwr.	4¼	'56	96¼	99¼	96
*Int. Hydro-E.	6	'44	71	74	68
▲Inter. Power	6	'55	100	...	100
Macl'n-Que. Pr.	4	'59	95¼	98¼	94¼
Mtl. L. H. & P.	3¼	'56	97¼	100¼	97¼
Do.	3¼	'73	95	98	95
†Mtl. Tramways	5	'41	89¼	92¼	89¼
†Do.	5	'55	63¼	66¼	62
Nat. Lt. & Pwr.	6	'49	96¼	...	96
N. S. Lt. Pr.	4	'57	99	...	98
Ottawa H. & P.	4	'57	98¼	...	98¼
Ottawa V. Pwr.	5	'59	102	105	102
†Power Corp.	4¼	'59	98	101	98
Quebec Pwr.	4	'62	100	103	99¼
*Saguenay P., A.	4¼	'66	104	...	104
♦Do., B.	4¼	'66	103	...	102¼
Shaw. W. & P.	4	'61	100¼	103¼	100¼
Union Gas	4¼	'50	101	...	101
†United Secs.	5¼	'52	61¼	64¼	59¼
Wpg. El., ser. A	4	'65	72¼	75¼	71
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	62¼	65¼	58¼
Acadia Sugar	4¼	'55	98	...	98
†Alta. Pa. Grain	6	'46	96	...	96
Atlantic Sugar	4	'51	98	...	98
†B. C. P. & Pap.	6	'50	82	...	82
*Brown Co.	5¼	'46	50¼	53¼	44¼
Burns & Co.	5	'58	61	64	60¼
Canada Bread	6	'41	101¼	...	101¼
Canada Cement	4¼	'51	102¼	...	103
Can. Paper	4¼	'52	97¼	...	98
Can. Steamship	5	'57	95¼	98¼	95
Can. Canners	4	'51	100	...	100
*Can. Int. Paper	6	'49	100¼	103¼	100
†Candn. Vickers	6	'47	44	...	...
C. P. R.	3¼	'51	88	91	87
Do.	4	'49	92	95	91
Do.	4¼	'44	97	100	96¼
Do.	6	'42	102¼	105¼	102¼
†Consol. Paper	5¼	'61	65	68	67
Dom. Coal	4¼	'52	99¼	...	99¼
Dom. Stl. & Co.	6¼	'55	104¼	...	104¼
Dom. Tar	4¼	'51	100	...	99
†Donnacona P.	4¼	'56	80	83	80¼
Famous Players	4¼	'51	99	...	99
†Federal Grain	6	'49	96	...	96
†Fraser Cos.	6	'50	97¼	...	96¼
Gen. Stl. Wares	4¼	'52	97	100	97
*Great L. Paper	5	'55	89¼	92¼	88¼
†Gypsum, Lime	5¼	'48	92	...	92
Ham. By-Pr. C.	5	'55	100	...	99
Inter.-City Bak.	5¼	'48	100	...	100
*Inter. P., Nfld.	4¼	'68	90	...	90
Lake St. J. P.	5¼	'61	88¼	91¼	88
†Maple Leaf M.	3	'58	67	70	66
Massey-Harris	4¼	'54	88¼	91¼	89¼
McColl-Fron.	4¼	'49	101	...	101
McCormick's	4	'52	93¼	96¼	93¼
*M. & O. Paper	6	'45	48	51	46¼
Nat. Grocers	4	'47	100	...	100
N. S. Stl. & Co.	3¼	'63	81¼	84¼	81
Price Bros.	5	'57	96¼	99¼	95
*Prov. Paper	5¼	'47	102	...	102
Reliance Grain	4¼	'52	94	...	94
†Restigouche Co.	6	'48	96¼	...	96
Rolland Paper	4¼	'51	102	...	102
Simpson's Ltd.	4¼	'51	100¼	103¼	100
Smith, Howard	4¼	'51	102	...	102
*United Gas	5¼	'48	102	...	102
United Gr. Grs.	5	'48	93	...	92
†Western Grain	6	'49	52	...	55

*Payable in Canada, or U. S.
†Payable in Can., U. S., or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.
♦Payable in Canada only.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	6%	1942	Dec. 31	105
Wood, A. & J.	16%	1944	Sept. 30	103
Can. Pac. Rly.	2¼%	1941	Oct. 1	100¼
Canada Cement	3¼%	1941-4	Nov. 1	101

Drawn by lot: $826,500.

Stock Redemptions:

Cosmos Imperial 5% 1st pf. Oct. 1 *105

*Plus accrued dividends from July 15, 1940.

Mining Dividends

	Rate	Close Sept. 23	Yield %
Beattie Gold	‡12c	.95	..
Bralorne	80c+40c	10.00	*12
Broulan Porc.	3c	.68	..
Buffalo Ankerite	‡31c	4.75	..
Bulolo Gold	$3	15.50	19.3
Can. Malartic	‡6c	.50	..
Cariboo Gold	16c+6c	2.00	*10
Central Patricia	16c+7c	1.88	*12.2
Coniagas	‡25c	1.30	..
Coniaurum	16c	1.35	11.8
Cons. Smelters	$1+$1	39.00	*5.1
Delnite	†3c	.65	..
Dome Mines	$2	23.50	8.5
East Malartic	‡20c	3.35	..
God's Lake	2½c	.36½	..
Gold Belt	†2c	.22	..
Gunnar Gold	‡3c	.40	..
Hallnor	60c	5.50	10.9
Hard Rock	‡9c	.95	..
Hedley Mascot	‡6c	.50	..
Hollinger	65c+45c	13.00	*8.4
Howey Gold	‡2c	.28	..
Hudson Bay	$1.75	26.50	6.6
Inter. Nickel, com.	$2	38.50	5.1
Island Mountain	‡8c	.80	..
Kerr Addison	‡10c	2.75	..
Kerr Lake	‡5c	.28	..
Kirkland Lake	10c+2c	1.00	*12
Kootenay Belle	‡12c	.26	..
Lamaque Gold	40c+10c	5.15	*9.7
Lake Shore	$2	22.00	9.1
Leitch	8c	.52	15.4
Little Long Lac	30c	2.15	13.9
Macassa	32c	3.50	9.1
Madsen R. Lake	†3c	.45	..
McGillivray Coal	3c	.25	..
McKenzie Red L.	12c+2c	.95	*14.7
McWatters	10c	.30	..
Moneta	12c	.62	..
McIntyre Porc.	$2+$1	46.00	*6.5
MacLeod-Cockshutt	†10c	2.40	..
Nipissing	15c	1.00	..
Noranda	$4	57.50	6.9
North Empire	‡40c	7.25	..
O'Brien Gold	‡10c	1.00	..
Pamour Porc.	12c	1.20	10
Pato Cons.	20c	2.20	..
Paymaster	2c	.23	..
Perron Gold	16c+4c	1.75	*11.4
Pioneer, B. C.	40c	2.10	19
Pickle Crow	40c	2.79	14.3
Placer Develop.	$1.20	9.00	13.3
Premier	12c	.99	12.1
Preston E. Dome	20c	2.05	..
Privateer Mine	‡13c	.43	..
Powell Rouyn	20c	.90	..
Quebec Gold	‡2c	.20	..
Relief Arlington	†5c	.02½	..
San Antonio	14c+3c	2.00	*8.5
Sheep Creek	16c+3c	.95	*20
Sherritt Gordon	†5c	.77	..
Sigma Mines	‡45c	6.50	..
Silbak Premier	16c	.80	20.0
Siscoe	12c	.61	19.7
Sturgeon River	†2c	.14¼	..
Sudbury Basin	2½	1.00	..
Sullivan Cons.	‡9c	.65	..
Surf Inlet	†1½c	.09	..
Sylvanite Gold	20c+5c	2.45	10.2
Teck-Hughes	40c+5c	3.25	*13.8
Toburn	8c+8c	1.25	*12.8
Upper Canada	†3c	.95	..
Ventures	15c	2.75	..
Waite Amulet	†10c	3.60	..
Wright-Harg.	40c+30c	6.40	*10.9

*Yield including bonus. †Initial.
‡Paid or payable in 1940 to date.

Investment Trusts

	Bid	Asked
Affiliated Fund	2.38	2.53
Can. Amer. Trust	2.87	3.17
Can. Inv. Fund	3.60	4.00
All Can. Trustee	10.40	11.15
Grouped Income	....	3.35
Trans-Canada Shs.	11.15	12.15

Municipal Bonds

Sept. 24, 1940

†Halifax	5	1961	104.00	108.00	4.41
Hamilton	5	1950	110.25	112.25	3.50
Montreal	5	1945	92.00	95.00	6.26
Ottawa	4½	1945	104.15	106.15	3.10
†Quebec	5	1959	104.00	108.00	4.38
Saint John	5	1950	101.00	104.00	4.51
†Toronto	4½	1955	107.50	110.00	3.61
†Vancouver	5	1950	96.00	100.00	5.00
Winnipeg	5	1944	99.00	102.00	4.25

†Payable Can. and N.Y.

Annual Meetings

1940	Company	Place
Sept. 30	—The Trusts & Guar.	*Toronto
Oct. 25	—N. Bawlf Grain	†Winnipeg
Oct. 28	—Alberta Pacific Grain	Winnipeg

*Special. †Pref. shareholders.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Oct. 1	Sept. 1
Ajax Oil & G.	1½c	Oct. 31	Oct.
Alta. W. Pres., p.	$1.75	Oct. 1	Sept. 2
Assoc. Brew., pref.	$1.75	Oct. 1	Sept. 1
Amer. Cyan., A, B	†15c	Oct. 1	Sept. 1
Do., pref.	†12½c	Oct. 1	Sept. 1
Biltmore Hats	15c	Oct. 15	Sept. 30
B.C.E.P. & G., p.	$1.50	Oct. 1	Sept. 20
Brit. Amer. Oil	25c	Oct. 1	Sept. 12
Bralorne Mines	20c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bell Telephone	$2	Oct. 15	Sept. 23
Belding Cort.	$1	Oct. 1	Sept. 14
Do., pref.	$1.75	Oct. 1	Sept. 14
Burlington Steel	15c	Oct. 1	Sept. 16
B. C. Power, A	50c	Oct. 15	Sept. 30
Brazilian Tr. pf.	$1.50	Oct. 1	Sept. 14
Bk. of Nova Scotia	$3	Oct. 1	Sept. 14
Brockville Trust	62½c	Oct. 1	Sept. 20
Building Prod.	17½c	Oct. 1	Sept. 19
Brit. Amer. Assur.	$1.50	Oct. 1	Sept. 27
B. C. Tele., 1st pf.	$1.50	Oct. 1	Sept. 16
Bathurst Pr., A	25c	Nov. 1	Oct. 17
Canada Bread, pf.	$1.25	Oct. 1	Sept. 20
Do., B pref.	62½c	Oct. 1	Sept. 20
Can. Machinery, pf.	$3.50	Oct. 21	Oct. 1
Can. Foundries, A	37½c	Oct. 2	Sept. 15
Canadian Oil, pf.	$2	Oct. 1	Sept. 20
Can. Pac. Rly., p.	2%	Oct. 1	Sept. 2
Can. Nor. Power	■23c	Oct. 25	Sept. 30
Do., pref.	■$1.75	Oct. 15	Sept. 30
Can. Canners	12½c	Oct. 1	Sept. 14
Do., pref.	25c	Oct. 1	Sept. 14
Do., partic.	5c	Oct. 1	Sept. 14
Do., 2nd pref.	15c	Oct. 1	Sept. 14
Do., partic.	5c	Oct. 1	Sept. 14
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Canada Iron	$1.50	Nov. 1	Oct. 15
Do., pref.	$1.50	Nov. 1	Oct. 15
Can. Fairbanks, pf	$1.50	Oct. 15	Sept. 30
Carnat'n Co., 1st p	†$1.25	Oct. 1	Sept. 18
Cent. Can. Loan	$2	Oct. 1	Sept. 17
Celanese of Amer.	†25c	Oct. 15	Sept. 17
Do., stock div.		Dec. 10	Oct. 11
Do., prior pf.	†$1.75	Oct. 1	Sept. 17
Do., prior pf.	†$1.75	Jan. 1 '41	Dec. 17
Do., part. pfd.	†$3.50	Dec. 31	Dec. 17
Can. Cottons	$1	Oct. 1	Sept. 13
Do., pref.	$1.50	Oct. 1	Sept. 13
Cariboo Gold	4c	Oct. 1	Sept. 4
Do., extra	2c	Oct. 1	Sept. 4
Can. Gen. Elec.	$2	Oct. 1	Sept. 14
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. For. Invest.	70c	Nov. 1	Oct. 15
Do., pref.	$2	Oct. 1	Sept. 15
Can. Wire Box A	37½c	Oct. 1	Sept. 16
Candn. Ind., A, B.	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Chartered Trust	$1	Oct. 1	Sept. 16
Comm. Alcohols, p.	10c	Oct. 15	Sept. 30
Can. West'house	37½c	Oct. 1	Sept. 14
Canada Packers	75c	Oct. 1	Sept. 16
Can. Breweries, p.	75c	Oct. 1	Sept. 16
Consumers' Gas	$2.50	Oct. 1	Sept. 14
Cons. Bakeries	25c	Oct. 1	Sept. 23
Canada Life	$5	Oct. 1	Sept. 30
Dominion Bank	$2.50	Nov. 1	Oct. 19
Dom. Glass	$1.25	Oct. 1	Sept. 16
Do., pref.	$1.75	Oct. 1	Sept. 16
Dominion Coal, p.	37c	Oct. 1	Sept. 14
Dominion Tar pfd.	$1.37½	Nov. 1	Oct. 14
Dom. Textile	$1.25	Oct. 1	Sept. 14
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Fdry. & Stl. c.	25c	Oct. 1	Sept. 20
Dome Mines	50c	Oct. 21	Sept. 30
Dom. Oilcloth	30c	Oct. 31	Oct. 15
Do., extra	■10c	Oct. 31	Oct. 15
Eastern Steel, p.	25c	Oct. 1	Sept. 16
Economic Invest.	■62½c	Oct. 1	Sept. 21
East. Can. Sav.	$1.50	Oct. 1	Sept. 20
Eastern Trust	$2	Oct. 1	Sept. 20
Fanny Farmer	†37½c	Oct. 1	Sept. 16
Foundation Co.	25c	Oct. 18	Sept. 30
Gatineau Pwr.	20c	Sept. 30	Aug. 31
Do., 5½% pref.	$1.37	Oct. 1	Aug. 31
Do., 5% pref.	$1.25	Oct. 1	Aug. 31
Gt. L. Pap. p, A B	■25c	Oct. 1	Sept. 10
Gt. West Life	$3.75	Oct. 1	Sept. 20
Greening Wire	15c	Oct. 1	Sept. 16
Goodyear Tire	62½	Oct. 1	Sept. 14
Do., pref.	62½	Oct. 1	Sept. 14
Gould Pumps, pf.	†$1	Oct. 1	Sept. 20
Gt. L. Power, pf.	$1.75	Oct. 15	Sept. 30
Guaranty Trust	$1.25	Oct. 15	Sept. 30
Guysborough Mines	■2½c	Oct. 21	Oct. 10
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do.	5c	Oct. 7	Sept. 23
Honey Dew	50c	Oct. 1	Sept. 25
Hinde & Dauch	12½c	Oct. 1	Sept. 14
Huron & E. Mtg.	1%	Oct. 1	Sept. 14
Do., 20% paid	50c	Oct. 1	Sept. 14
Ham. Cottons, pfd.	50c	Oct. 1	Sept. 14
Do., arrears	25c	Oct. 1	Sept. 14
Inter. Power, pfd.	$1.75	Oct. 1	Sept. 14
Invest. Found., p.	75c	Oct. 15	Sept. 30
Do., arrears	*25c	Oct. 15	Sept. 30
Inter. Nickel, pf.	†$1.75	Nov. 1	Oct. 2
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, p.	†$1.25	Oct. 15	Sept. 28
Jam. Pub. Ser.	17c	Oct. 1	Sept. 24
Do., pref.	$1.75	Oct. 1	Sept. 24
Kerr Addison Gold	5c	Oct. 15	Sept. 28
Kirkland L. Gold	5c	Nov. 1	Sept. 30
Do., extra	1c	Nov. 1	Sept. 30
Koot. Belle	2c	Oct. 22	Oct. 15

U. S. funds. approval by Foreign Exchange Control Board. for each 30 common shares
ment on arrears. nt after deducting corp. inc.

Trusts

Bonds

Can. Industries Ltd.
A — B — pfd.
BOUGHT AND SOLD
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 215

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1940, and that the same will be payable at the Bank and its Branches on and after Friday, 1st November next, to shareholders of record at the close of business on the 30th September, 1940. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 12th September, 1940.

The Dominion Bank

Dividend No. 232

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the Quarter ending 31st October, 1940, making a total distribution of ten per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the first day of November, 1940, to shareholders of record of the 19th October, 1940.

By Order of the Board,

ROBERT RAE,
General Manager

Toronto, 12th September, 1940.

IMPERIAL BANK OF CANADA

DIVIDEND NO. 201

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending 31st October, 1940, payable at the Head Office and Branches on and after Friday, the 1st day of November next, to shareholders of record of 30th September, 1940.

By order of the Board.

H. T. JAFFRAY,
General Manager.

Toronto, 11th September, 1940.

Ajax Oil and Gas Co., Limited

(No Personal Liability.)

Notice is hereby given that an Interim Dividend of 1½ per cent (1½%) has been declared payable October 31, 1940, to Shareholders of record at the close of business October 5, 1940.

By order of the Board.

A. BURRELL,
Secretary-Treasurer.

Toronto, September 23rd, 1940.

Bathurst Power & Paper Co., Ltd.

Notice of Dividend on Class "A" Shares

NOTICE is hereby given that a Dividend of Twenty-five Cents (25c) per share on the outstanding Class "A" Shares of the Company has been declared payable on the 1st day of November, 1940, to shareholders of record at the close of business on the 17th day of October, 1940.

H. J. WEBB,
Secretary-Treasurer.

Montreal, September 23rd, 1940.

St. Lawrence Corporation Limited

CLASS "A" STOCK DIVIDEND NOTICE

NOTICE is hereby given that a dividend at the rate of Twenty Cents (20c) per share has been declared on the issued and outstanding shares of Class "A" 4% Cumulative Convertible Preferred Stock of the Company, payable the 15th day of October, 1940, to Shareholders of record at the close of business on the 30th day of September, 1940; such dividend being in payment of part of the unpaid balance of Thirty-five (35c) cents per share of the Dividend (No. 10) which accrued on the 15th October, 1932.

BY ORDER OF THE BOARD.

L. A. TUCKER,
Secretary.

Montreal, P.Q.
September 19, 1940.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1940, to Shareholders of Record as at close of business September 15th, 1940, in Canadian Funds.

W. S. BARBER,
Secretary-Treasurer.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st October, 1940, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

5th September, 1940.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 63, quarterly, $1.75 per share, payable October 15th, 1940.

No par value Common Stock

No. 45, quarterly 23c. per share, payable October 25th, 1940, to holders of record at the close of business September 30th, 1940.

L. C. HASKELL, F.C.I.S.,
Secretary.

August 27th, 1940.

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of ONE DOLLAR and FIFTY CENTS ($1.50) per share, for the quarter ending September 30th, 1940, has been declared upon the paid in Capital Stock of the Company, to shareholders of record on Thursday the 3rd day of October, 1940, at 4 o'clock p.m. and payable on Tuesday the 15th day of October, 1940.

By Order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Monday, September 23rd, 1940.

Ontario Silknit Sales Up 33%

Net Profit in 7 Months Also Well Ahead of 1939

A 33 1/3% increase in sales was shown by Ontario Silknit Ltd. in the first seven months of 1940, as compared with the same period of last year, The Financial Post is advised officially. Biggest increase was in Canadian and Australian business, while sales of the English company also are substantially up.

Net profit, in spite of higher taxation, has also been substantially higher this year. Present backlog of orders and outlook would indicate the full 12 months operations will be well ahead of 1939, when net profit of $73,162 was the highest since 1935.

The improved showing has been due almost entirely to better civilian business. The company indirectly has been engaged in supplying war contracts by dyeing wool cloth used to make uniforms and shirts. Its plants are equipped to make cotton underwear for army use, but no contracts have been obtained as yet.

Small Export Business

The Canadian company, in addition to supplying the domestic market, ships the English subsidiary, Silknit Ltd., part of its needs. This is comparatively small, however, normally supplying less than 5% of the total business of the Canadian company.

Exports to Britain moved fairly well up to July 1, but since then import licenses have been required from the U. K. Government. As a result, the movement has almost stopped. Since August, however, domestic Canadian business has more than taken up the slack.

No interference has been caused the English company as a result of the war. The plant is located on the outskirts of London and at latest word had not been damaged by enemy action. Business has held up better than was expected.

No exporting is done to Australia. The plant there, operated by a subsidiary, Australia Silknit, fully supplies the Commonwealth demands.

The Canadian company makes lingerie primarily, also dresses. It deals directly with the retail trade and also sells knitted rayon cloth to other manufacturers. The Australian company is much the same, but the British organization is engaged only in making piece goods to sell to other manufacturers.

Costs Increase

The company has found costs in the Canadian operation have advanced. Principal factor has been of raw materials. The company uses rayon mostly and costs of this product are up about 20% from pre-war prices. The advances took place up to the end of last year and prices have been maintained at the increased level fairly steadily this year. Rayon is all obtained domestically from plants at Cornwall, Ont., and Drummondville, Que., and it is made from Canadian wood pulp, so there never has been any question of obtaining supplies.

Due to the improvement in rayon manufacture, the company ceased using silk about a year prior to the outbreak of war.

The company also uses some cotton, obtained from the United States. Supplies have been plentiful, but due to adverse exchange and the 10% import duty, prices have been higher, although at a fairly stable level.

Costs of chemicals likewise are higher. Wages have increased in the industry, and this has affected Ontario Silknit. A general increase was made last fall. Other upward adjustments have been made since, due to the increased competition for help as a result of the high level of production in the textile industry.

Plant Expenditure Small

Capital expenditures this year have been comparatively small and have been made in line with the policy of modernizing and replacing old machines. Equipment is imported primarily from the United States, as a result of which prices have been higher. No particular difficulty has been encountered with the Canadian Government in obtaining the necessary foreign exchange for such purchases, but the Australian company finds it practically impossible to obtain foreign exchange. No expansion is likely in the English division during the war.

Inventories of raw materials at present are about 10% above the level at the end of last year. This is described as seasonal and not unusual.

Directors are expected to again consider the question of taking action on the income funding rights, but probably not until the end of this year. An adverse factor in redeeming these rights is that the company has encountered difficulty in recent months in transferring earnings from the English and Australian subsidiaries as a result of wartime exchange restrictions.

In view of the relatively unstable earnings of the company in the period 1936-39—the base period for computing "excess" profits taxes—application will be made to the referee board at Ottawa for special consideration under terms of the "depressed industry" ruling. The company would be very heavily taxed on the basis of 75% of the increase over the four-year average.

Named For Presidency Of Engineering Inst.

Dean C. J. Mackenzie has been nominated for the presidency of The Engineering Institute of Canada for 1941. His election is considered a certainty.

Dean Mackenzie some months ago was appointed acting president of the National Research Council, succeeding General A. D. G. McNaughton, when he left that office to command Canada's first division overseas. Previous to that Dean Mackenzie was head of the engineering faculty in the University of Saskatchewan.

Presidency of the Engineering Institute of Canada is one of the highest honors in the engineering profession in Canada. The holder of the office for 1939 is Dean H. W. Mckiel of the faculty of science in Mount Allison University, New Brunswick.

Alta. Pacific Year Better

Net Profit of $161,596 Is Higher Than Previous Year

From Our Own Correspondent

MONTREAL.—Substantially improved operations are reported by Alberta Pacific Grain Co. in the year ended June 30. Net profit increased to $161,596 from $16,902 in the preceding fiscal year.

H. E. Sellers, president, states in the annual report that the company's offer to purchase assets of Bawlf Grain has been renewed. Regarding the renewed offer and operations for the past fiscal year, Mr. Sellers states:

"The offer to purchase the assets of N. Bawlf Grain Co. for $1 million made last spring was not proceeded with at that time owing to inability of the Bawlf Co. to furnish satisfactory title to certain assets. The difficulties have now been removed and the offer to purchase has been renewed.

Hugh Grain Stocks

"Loss of markets for Canadian wheat brought about by the war resulted in unprecedented accumulation of wheat stocks in Canada. In order to assist in meeting the problem of storing the carryover and the 1940 crop your company is erecting a large number of temporary storage annexes.

"The volume of grain passing through the Port of Vancouver in the past crop year was 9,650,437 bushels compared with 41,444,734 bushels in the previous year. This resulted in decreased handlings through your company's Vancouver terminal properties; however, use was made of our terminal storage facilities. The prospect for shipments in any volume through this Port during the present season is discouraging."

Mr. Sellers recalls that at the commencement of the crop season the Board of Grain Commissioners reduced tariff for storage of grain by one third. He states that volume of grain handled by all companies will be restricted owing to the reduction in the amount that can be exported from Canada.

Sinking fund payments on the first mortgage bonds were resumed during the year, with redemption of $141,000 par value of the issue. This is the first payment into sinking fund since 1933.

Working capital position was strengthened during the year and the president states in the annual report that properties have been maintained in good operating repair.

Comment on the president's remarks is contained elsewhere in this issue.

Firmer Trend Seen In Commodities

Prices Still Irregular But Attitude of Buyers Changing

While commodity prices are still irregular, there is a better feeling noticeable in most market reports. Especially is this the case as regards commodities in the industrial group.

The United States armament and military training programmes are important factors in the situation, meaning heavier demand for military supplies and equipment.

With Great Britain holding out week after week against the German attacks, the talk of a speedy ending to the war is disappearing. Steel men in the United States seem to be looking for a long war now and are talking about priorities in orders. Conscription, too, is expected to dislocate the labor market. Purchasing agents accordingly are beginning to buy when and how they can without waiting for market recessions as formerly.

Of the weekly spot indices two are higher and two lower. Dow Jones index of future prices showed a slight advance.

COMMODITY PRICES

	Latest week	Previous week	Same week last yr.
Cattle	$8.75	$9.00	$7.90
Hogs	9.50	9.85	9.10
Copper, lb.	.11½	.11½	.12⅝
Cotton, lb	.0990	.0981	....
Rubber, lb.	.1925	.1919	.2190
Sugar, raw, lb.	.0270	.0270	.0365
Silk, lb.	2.54	2.55	3.13
Wheat, Man. (bu.)	.69¾	.73⅛	.72¼
Coffee, lb.	.05	.05⅛	.05¼
Hides	.12	.12	.16
Weekly Indices			
Canada (D.B.S.)	83.0	82.8	77.4
Do., Wood, Gundy	65.4	65.6	65.8
U. S. Labor	77.9	78.0	79.3
Dow Jones (future)	51.74	51.16	58.77
Fishers'	81.9	81.8	83.2
Monthly Indices			
Canada (D.B.S.):			
Retail (*Aug.)	106.0	105.8	100.9
W'sale (July)	82.4	81.6	72.6
U. S. (June)	77.5	78.4	75.6
Gt. Brit. (June)	134.6	133.7	98.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base. *Base 1935-39—100.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Tobacco Levy To Begin Oct. 1

From Our Own Correspondent

FREDERICTON. — Beginning Oct. 1, every New Brunswicker who smokes, chews or snuffs will have to dig deeper in his pocket to help finance the provincial fight against tuberculosis.

Revenue of 10% impost on the retail price of tobacco will be used in helping counties, cities and towns bear cost of providing hospital treatment for indigent tuberculosis cases. For several years the municipalities of New Brunswick have lobbied for increased governmental assistance, claiming that the cost of the fight against tuberculosis was extremely onerous.

Penalties Provided

Under the law any resident of this province bringing tobacco into New Brunswick for his own use must report his importation and pay the tax.

Week in Wheat

Storage in East Mooted Crisis in West Eases

Local Facilities in West Found Better Than Expected, Ottawa Now Seeks to Expand Storing Capacity in Eastern Canada

From Our Own Correspondent

OTTAWA.—Provision of storage space in eastern Canada through construction of bins and elevators and adaptation of existing facilities that can be used for wheat storage is indicated as an important contribution to the wheat problem, following information received at Ottawa that the western situation is less serious than anticipated.

By close attention to district situations, the Wheat Board has found local storage facilities better than expected in the West, and the delivery quota has been raised generally. The attention of Ottawa has been centred on means of drawing the wheat out of the West. The answer is believed found in creation of storage in the East, close to export points and flour mills, and in prospects of increased deliveries of Canadian wheat already sold to the United Kingdom.

A long-range view of the wheat problem, as far as it is possible under present conditions, requires the Canadian Government to assume that this country will face the problem of maintaining at least a year's export supply of wheat on hand.

Immediately the pressure on local elevators in the West is eased, the Wheat Board will raise the delivery quota to the farmers. This will permit farmers to sell for the guaranteed price, and eliminate the necessity of an advance. It will also provide internal transportation agencies with more or less normal business arising from the grain crop.

Brief Spurt on Market

There was a brief spurt of activity in trading on the Winnipeg wheat market last week when the pegged prices were reduced to a basis of 70 cents for October, and corresponding prices, to include carrying charges for later delivery months. The reduction was, it was announced, made at the request of the Canadian Wheat Board.

It amounted to starting over again for the current crop year at the basis on which pegged prices were formerly established, instead of continuing to augment them from month to month on the basis of carrying charges.

Offerings came mainly from farmers who had previously listed wheat for sale, but who had been unable to find purchasers at the pegged level previously in effect. They were also believed to include a certain quantity of wheat handled through one of the selling agencies set up under the Wheat Co-operative Marketing Act to handle wheat which could not be delivered to the Wheat Board because of the limitation, formerly in effect, of 5,000 bushels on deliveries from a single farmer.

Purchases were believed to be on account of Canadian mills, for domestic flour, and for the limited export trade still conducted to certain countries outside of the United Kingdom. American mills, which still do a certain quantity of milling in bond, were also understood to be in the market.

• • •

All For Wheat Board

When the pegged price was a few cents higher than the Wheat Board initial payment, based on 70 cents a bushel for No. 1 northern in store at Fort William, some farmers preferred to try to sell on the open market to delivering to the Wheat Board.

So long as the open market rests on the new peg, the same as the Wheat Board initial payment, there is no object in attempting to make such sales. Now that a limitation on individual deliveries to the Wheat Board is no longer in effect, it may be taken for granted that unless and until the open market price advances above the pegged level, all wheat deliveries will go to the Wheat Board.

• • •

Covering Sales to Britain

Canadian mills have recently been heavy purchasers of cash wheat to cover flour sales to Great Britain. It would appear that the cash wheat in question is being obtained against futures previously acquired by the British authorities. Theoretically, it would have been possible for Great Britain to buy cheaper flour, or for the mills to make a greater profit, by milling wheat purchased on the open market at prevailing prices. The plan actually followed would seem to indicate that the arrangement made between the British and Canadian governments for sale of large quantities of wheat at prices above the prevailing level, is being carried out strictly.

Other accumulation of cash wheat is understood to be in anticipation of wheat shipments to Great Britain, to take place during a period of several months. Reports of probable British acquisition of some vessels of the American merchant marine have led to reports of extensive shipments to be made in the near future. It is also taken for granted that the Canadian authorities have been endeavoring to persuade the British Cereals Import Board to move overseas as rapidly as possible large supplies of both wheat and flour, in order to ease the storage situation in Canada to as great an extent as possible.

• • •

Enlarge Local Quotas

The Canadian Wheat Board, having abolished quotas on deliveries of coarse grains, and having increased the quota delivery for wheat from five to eight bushels per acre at all points, continues to enlarge local quotas wherever the local storage situation will permit.

There is not, of course, at the present time, sufficient elevator space to accommodate the eight bushel quota at a great number of points. However, delays in threshing, particularly in Alberta, on account of continued rainy weather, are delaying the time at which the full strain on the storage capacity of western elevators will be felt.

In the meantime, farmers find their credit situation improved by a greater degree of confidence in business circles, resulting from quota enlargement. The demand for some means of financing against farm stored grain still continues over a large part of the West.

It is more uniformly insistent in Alberta, where crops are proportionately larger than in the other provinces. In some parts of Saskatchewan, where lightest crops were experienced, and where a quota of 10 bushels per acre would take care of most of the available grain, financing farm stored grain is no longer felt a necessity.

• • •

Want Careful Study

Perhaps, generally, there is a disposition to believe that no great harm will ensue from delay in selecting the plan to be adopted, provided that something can become effective by, say, the middle of December, when further relief of the storage situation by shipments down the lakes will no longer be practicable.

In spite of the large number of new annexes to country elevators already built to provide additional storage, construction of new ones begins daily, and plans are made for still more to be constructed.

• • •

U. S. Ships to Soviet

Contracts are understood to have been made for several million bushels of United States wheat to be shipped from north Pacific coast ports to Vladivostock. It will be remembered that arrangements for considerable shipments of Canadian wheat to Vladivostock were halted by the Canadian Government last winter, in order to prevent any possibility of such shipments enabling Germany to get greater quantities of wheat from European Russia. Russia always imports a certain quantity of wheat on the Pacific coast, finding it cheaper and more convenient to do so than to bring wheat for long distances overland from other parts of the country.

Wheat Prices

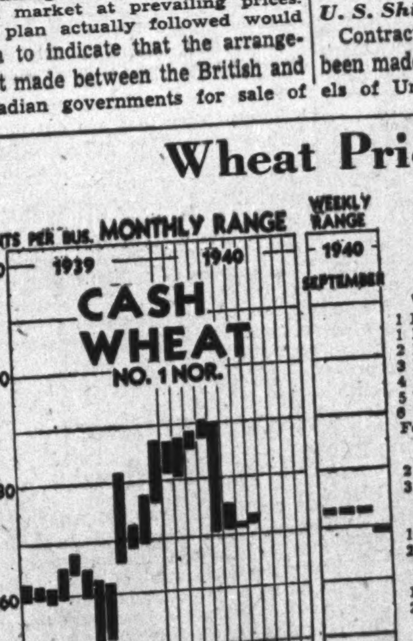

Chart by The Financial Post

Cash Quotations

	For Week Sept. 24 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.69¾	.69⅝	.73¼	.73⅛
1 Nor.	.69¾	.69⅝	.73¼	.73
2 Nor.	.67½	.67⅛	.70⅝	.70½
3 Nor.	.65¼	.65	.68⅝	.67⅝
4 Nor.	.61½	.61	.64⅝	.63⅝
5 Wheat	.58½	.58	.61⅛	.59⅛
6 Wheat	.55	.55	.58⅝	.56⅝
Feed	.51	.51	.54⅝	.52⅝
Oats:				
2 C. W.	.31	.29¾	.28⅞	.27¾
3 C. W.	.29½	.28¼	.26⅞	.25½
Barley:				
1 Feed	.35⅛	.33⅞	.35⅜	.33⅛
2 Feed	.34⅝	.33⅛	.34⅞	.32⅝
Flax:				
1 C. W.	1.25	1.19¼	1.26¼	1.24½
2 C. W.	1.20½	1.15¼	1.21¾	1.19¾
Rye:				
2 C. W.	.43⅜	.42⅜	.43⅜	.42⅛

Winnipeg Grain Futures

Week to Sept. 24, 1940

Crop year from Aug. 1, 1940 High	Low		Open Sept. 18	High for week	Low for week	Close Sept. 24	Close year ago
		Wheat					
.73⅝	.70	Oct.	.70¼	.70¼	*.70	.70	.72⅛
.74⅝	.71⅝	Dec.	.71⅜	.71⅜	*.71⅜	.71⅝	.74⅛
.75⅞	.75⅝	May	.75⅝	.75⅝	*.75⅝	.75⅝	.78⅝
		Oats					
.30¾	.27¾	Oct.	.30⅜	.30⅜	.29⅛	.30¼	.34⅛
.29	.25⅝	Dec.	.28⅝	.29	.27¾	.28⅜	.33⅛
.30	.28⅝	May	.29¼	.29⅞	.28½	.29½	.33
		Barley					
.36¼	.31¼	Oct.	.35¾	.36⅛	.34⅝	.35⅞	.45⅝
.36⅝	.30⅛	Dec.	.36¼	.36⅝	.35⅛	.36⅜	.45⅛
.38¼	.33⅝	May	.37¼	.38¼	.36⅛	.37⅞	.46⅞
		Flax					
1.34½	1.19¼	Oct.	1.25¾	1.25¾	1.19¼	1.21	1.80½
1.34⅛	1.16¼	Dec.	1.24	1.24⅛	1.16¼	1.17⅛	1.71½
1.39⅞	1.16	May	1.23¾	1.24½	1.16	1.16½	1.75
		Rye					
.46⅛	.40⅛	Oct.	.42¾	.43⅛	.42⅞	.43⅜	.38½
.46¾	.40¾	Dec.	.43⅞	.44⅞	.43⅜	.44⅜	.37⅛
.46⅝	.44⅛	May	....	.46¼	.45	.46	.37⅞

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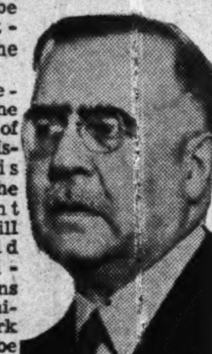
How Jobless Plan Will be Run

Choice of Commission Paves Way For Insurance Scheme Operation

Machinery to bring Canada's unemployment insurance scheme into operation is being assembled and set up. Department of Labor officials for some time have been working out a tentative system, but it was realized that everything done was subject to the approval of the Commission to be appointed under the Act.



Dr. J. S. SIROIS

Announcement of the personnel of the Commission this week and the statement that it will take hold immediately means that organization work can now be carried on at full speed.

Dr. Joseph Sirois, successor to Hon. N. W. Rowell as chairman of the Royal Commission on Dominion-Provincial Relations, has been named chairman of the new National Unemployment Commission. Assisting him are R. J. Tallon, secretary-treasurer of the Trades and Labor Council, Ottawa, as representative of the workers and Allan M. Mitchell of the Robert Mitchell Co., Montreal, representative of employers. The Chief Commissioner will hold office for 10 years and each of the members for five years. All three will be salaried officials and the Commission will administer the plan.

"To Advise and Assist"

"To advise and to assist" the Commissioners is the National Advisory Committee consisting of a chairman and four to six other members. They will be appointed by the Governor-in-Council. One or more of the members of this committee will be representative of employers and an equal number of the employees.

This committee will report at least once a year on the financial position of the Unemployment Insurance Fund. It will be expected also to make reports on the statutory conditions for receipt of insurance funds, disqualification of individuals, payment of benefits, pending appeals, rates of contribution, etc. Members will be allowed travelling expenses and remuneration at a rate to be decided by the Governor-in-Council.

A great deal of work has already been done surveying the ground to be covered and devising a system under which contributions can be collected from employers and employees with least inconvenience. It is expected that about 1,500 full or part-time offices will have to be opened across Canada and a staff of about 3,000 will have to be built up.

There are still, however, a good many questions which the interested person may ask which cannot yet be answered definitely. In some informed quarters it is believed the plan cannot be brought into operation before 1941.

Under the Unemployment Insurance Act, the plan briefly is to provide an insurance fund from which workers who contribute for a minimum of 30 weeks and later become unemployed can demand as a right benefits in proportion to the money they have paid in. Contributions by the workers will be augmented by sums from employers which, in the aggregate, will equal those of the employees. The Government will then contribute an amount equal to 20% of the total collected from employers and employees and also bear the cost of administration.

The plan applies to all workers earning less than $2,000 a year with the exception of those in agriculture, forestry, fishing, lumbering and logging, hunting and trapping, transportation by water or air, stevedoring, private domestic service, nurses and teachers.

Persons under 16 years of age or earning less than 90 cents a day are not to draw benefits but, at no cost to themselves, through payments made by the employer, these will accumulate benefit rights which may be valuable in later years.

General Organization

The general outline of the organization to administer the plan is this:

At the top—the Unemployment Insurance Commission of three members.

A National Advisory Committee to advise and assist the Commission.

A Dominion Employment Service with regional divisions and headquarters as well as local offices.

In each regional division the Commission may appoint insurance officers to look after insurance matters as distinct from, but in close co-operation with, the Employment Service.

The Commission may also appoint a court of referees in case of disputes as well as umpires and deputy umpires, to act in case of dispute.

It is estimated that while about 1,500 offices will be required, only about 80 of these will be full time.

Use Existing Facilities

The Dominion Employment Service will incorporate, as far as possible, existing Dominion and provincial employment offices. The central office in each division will be used as a clearing house for vacancies and applications for employment, making the information available to other local offices or wherever it may be desirable. Under it loans may be granted to workers travelling to places where work has been found. National, regional and local committees, representative of employers and employees, are to be set up to advise and assist the Commission on employment conditions. The national and regional committees will be allowed travelling expenses and such remuneration as may be approved.

The regional office, it is understood, will be a combination of both employment offices and insurance offices.

Payment of Unemployment Insurance benefits is predicated, in the main, on there being no employment available of the kind to which the applicant for benefits is accustomed. The rate of pay offered must be the current rate for the particular kind of work. If the applicant for insurance benefits refuses work offered under these conditions his claim will be disregarded.

Close Co-operation Required

Accordingly there must be close co-operation between the Employment Service and the insurance officers appointed by the Commission.

It is understood that there is considerable anxiety that Dominion and Provincial employment services be merged or, at least, brought into the closest working arrangement. Duplication of the employment service will weaken its efficiency.

The different areas to be established under regional offices may cut across existing geographical and provincial boundaries. For instance, it is possible that part of Ontario may be joined with Manitoba or even with the whole of the prairies to form one region for application of the Act. The same thing might apply as regards parts of Quebec or the Maritime Provinces.

Card System

Tentative plans for the collection of employers' and employees' contributions are for a system of cards and stamps. According to this proposal, a card will be issued for each employee. Each card will have 52 spaces, one for each week. Stamps will then be issued in denominations corresponding to the total weekly contribution of employer and employee combined in the different wage brackets. The employer will deduct the stated amount from the employee's pay, add his own contribution, buy a stamp for the total amount and attach it to the card. Thus for a man earning, say, over $20 but less than $26 a week, the employer will deduct 30 cents from the worker's pay, add 27 cents of the firm's money and then attach a stamp for 57 cents to the worker's card. If this plan is adopted, stamps will be made available from the regional offices or possibly from the post office.

To take care of workers whose employment is more or less intermittent it is proposed to divide both the stamps and the weekly spaces on the cards into six sections. If a man works, say, only three days in any week, three sections of the stamp will be attached to the card. The card will thus show at a glance the standing of the worker as regards his claim to insurance benefits.

Stamping Machines Suggested

Another suggestion is that in the case of firms with employees numbering in the hundreds or thousands, stamping machines may be installed to save time. Arrangements may also be made to have stamping machines in the regional offices where smaller employers may get their cards stamped.

When a worker who has contributed for 30 weeks gets out of work for over nine days (which do not have to be consecutive but may be spread over a year) he is given his card. It will be accepted at the local office as evidence that he is unemployed and also as evidence of his claim to benefits.

If there is available work of the kind he was accustomed to do and the wages offered are the current rate, he must accept or forfeit his right to insurance benefits. But if there is no work available and he is entitled to benefits, his claim will then come before the insurance officer in the district.

If the insurance officer is of the opinion the claim is legitimate, he may allow it himself or he may submit it to a court of referees as provided by the Act. It is possible the claim may be paid by the regional office or on the other hand might come direct from Ottawa.

Appeals Allowed

If a claim is disallowed the claimant may appeal to the court of referees.

The funds collected by the sale of stamps and the contributions by the Government will be invested on authorization of an investment committee of three. It consists of one member to be nominated by the Minister of Labor, one appointed by the Finance Minister and the Governor or Deputy Governor of the Bank of Canada. The funds must be invested in Dominion Government or Government guaranteed bonds.

Most of the 3,000 employees required to administer the Act will have to be appointed by the Civil Service Commission. Many applications, it is understood, have been received already. Officials are chuckling over two or three applications received evidently from insurance salesmen wanting to sell Unemployment Insurance.

Under a special section of the Act the Commission may prescribe contribution rates for periods greater than a week on a basis substantially equivalent to the weekly rates. If an employee works for less than a week the contributions are to be one sixth of the weekly rate for every day. Employment for less than half a day is to be disregarded. Employment for more than a half day will count as one day.

Need Employer's Co-operation

Officials of the Department of Labor are anxious to have the full co-operation of employers in letting them know when work is available. Unemployed workers will come to the regional offices, it is expected, where all data concerning them can be obtained. Employment officials will then have this available. Employers will have to notify the employment agency when they have a vacancy, so that the employment office will be able to bring worker and job together, it is pointed out.

Unofficial estimates place the amount that will be paid in under the plan in 1941 by employers and employees at over $50 millions.

Pulp Limits Threatened

Ontario Grants Sawlog Rights on Limits of Abitibi and Others

Concern is expressed by pulpwood and newsprint companies over possible effects of Ontario's recent granting of timber cutting rights on pulpwood limits. E. E. Johnson of Great Lakes Lumber Co. has been granted rights to cut sawlogs on limits held by Abitibi Power & Paper Co., Provincial Paper Co. and Lake Sulphite Pulp Co.

Great Lakes Paper Co. was also involved in the sawlog cutting situation but has made an independent deal. The Great Lakes arrangement is with Pigeon Lumber Co., an affiliated concern, which cuts pulpwood for Great Lakes. Under this arrangement, timber of sawlog size on the Great Lakes limits is cut by Pigeon Timber.

Order-In-Council

An order-in-council was recently passed by the Ontario Cabinet granting to Great Lakes Lumber Co. right to cut logs of 11 inches and over in minimum diameter from limits controlled by the companies mentioned. Great Lakes Lumber has a sawmill at the head of the lakes, erected in 1939 at a reported cost of $350,000.

The agreement provides that tops of trees cut for sawlogs are to be cut into pulpwood and offered for sale to local newsprint mills. If no local sale is available the operator may export the pulpwood.

It is said that perhaps 15% of the trees standing on the limits are of such a size as to make them suitable for sawlogs. The balance is good for nothing except pulpwood.

Newsprint companies claim that they can use logs up to 12 or 14 inches in diameter and that around 12 inches makes the best grade of logs for pulpwood. Over this size requires splitting to be handled in the pulp making operation. On the limits in question are up to an estimated 10% to 20% of larger logs. These include considerable jackpine and some spruce. The former is not a high-grade wood but is used largely for ties and cheaper grades of lumber.

Ontario Assumes Powers

One authority who follows forestry affairs in Ontario closely, suggests to The Financial Post that the major point in this case is the evidence that here the Ontario Government recognizes its power to vary existing contracts. The original contracts under which these limits were vested in the newsprint and pulp companies concerned, it is said, gave these companies rights to cut all timber on the areas specified. Now some of these rights are being transferred to others, apparently without the support of the original holders of the timber limits.

This same authority suggests that Ontario is hardly acting consistently in taking the right to alter these contracts on itself while holding that it had no power to interfere in the Abitibi Power & Paper reorganization case. In the latter instance representations have been made asking for intervention on behalf of junior security holders.

Appears Bona Fide

On the surface, it is admitted by this man, there is no reason to question the bona fides of the deal. Mr. Johnson has been an operator in timber and other matters in that area for a number of years. He is said to have built a new sawmill which incorporates new machinery and ideas giving more efficient and economical operation. He needed cutting rights to supply this new sawmill. He is said to have a substantial interest in English River Pulp & Paper Co. which a year ago leased the Nipigon Corp. groundwood pulp mill from the Lake Sulphite Pulp Co.'s receiver.

The important point is, however, that he was given rights to cut sawlogs over an area where other companies were actually operating while free areas were available.

There is a suggestion from some sources that the opposition which was led by Mayor Charles W. Cox of Port Arthur was largely the result of personal conflict between these two men, both of whom have been rival woods operators in northwestern Ontario for many years.

At a luncheon speech in Fort William, Hon. Peter Heenan, Minister of Lands and Forests, defended the Government's position. Mr. Heenan claimed that the agreement giving Great Lakes Lumber Co. power to cut sawlogs off areas allocated to pulp and paper companies was a step in the formation of a definite timber policy for Ontario. He maintained that it was necessary to get the timber out as cheaply as possible. Otherwise it would be left to rot in the bush.

Mr. Heenan claimed that the Crown retained right to sell timber which was over pulpwood size from pulpwood limits. He maintained that lumber industry in northwestern Ontario was at a disadvantage because it was a pulpwood area where it was expensive to get out sawlogs.

Means Dual Operations

Pulpwood companies maintain that granting sawlog cutting rights to other interests on their limits means a costly and inefficient operation to clean up the timber without waste. For example, the tops of the sawlogs can be used as pulpwood but pulpwood concerns will probably have to carry on simultaneous operations to clean up these tops themselves or else depend on the timber company to do it for them. Also it is said that cutting off the larger trees in an area would probably make it uneconomic to go over the same area again to cut the pulpwood, thus giving a threat of considerable waste.

The rights to cut sawlogs have only been granted as yet on comparatively small areas but newsprint companies in the area are disturbed at the prospect that the current accelerated demand for lumber, with its opportunities for quick profits on the part of lumber concerns, will mean heavy pressure on the Government to open up other limits.

They are critical of the present method of operation on the grounds that it will probably mean a dual operation, leaving the work of salvaging the pulpwood on the areas being cut for saw logs too costly. They admit that there is a fair amount of merchantable timber on their limits, but feel that a better way of handling this timber could easily be worked out.

Granting of the order-in-council was opposed before the Cabinet by a deputation from Port Arthur headed by Mayor Charles Cox, M.L.A. This group maintained that the Johnson concession was not in the best interests of northern Ontario and that it actually involved six million acres rather than the approximate half million named.

U. S. Advertising Linage Higher

From Our Own Correspondent

MONTREAL.—Newspaper advertising in the United States reflected some of the upturn in business, showing a 1.7% increase in August over the same month in 1939, according to Media Records figures for 52 cities and published by Editor and Publisher.

Indications are that advertising will continue to show a favorable trend throughout the fall, because of the new continuing flow of Government orders. This, in turn, should assure a higher rate of consumption for newsprint paper.

Total advertising linage in August for 52 cities was 92 millions as against 90.5 millions in the same month last year. Only two classifications, general and financial, failed to register gains.

War Loan Sales Problem

(Continued from page 1)

ors who normally can be tapped only for war bonds.

Sales methods used during the war loan drives of first great war are being studied. The big loan campaigns then involved much greater organization. The country was divided into thousands of units with a trained salesman in charge of each. Under him were scores of paid canvassers. There was no overlapping between bond houses, each prospect was canvassed once, but only once—and thoroughly. There were parades, bands, speeches.

These methods were admittedly successful: some $537 millions was raised in 1917, and $660 millions in 1918. But the Great War methods were expensive.

This time Ottawa believed that the first modest calls could be raised with less expense and much less hullabaloo. This time there were practically no paid organizers, there was comparatively little government paid advertising. The expensive printing and handling of $50 bonds was avoided. The bond houses were not asked to merge their identity and competitive positions. Only the regular commissions were paid with the individual houses and banks canvassing their prospects individually, and in many cases, doing quite a lot of individual advertising, too.

Division Probably About Even

Details are not yet available as to the breakdown of the second War Loan, between the so-called small private investor and the public institutions and companies.

In some quarters it is claimed the division will be about 50-50; in others the proportion from the institutions and companies is placed considerably higher.

The relatively low rate of interest on the current war loans is not believed a stumbling block. Reluctance to invest at a mere 3%, it is believed, will be overcome, provided the prospect is made to feel that the country needs his money for national defense.

In the two campaigns so far the small investor was not made to feel the seriousness of the cause. He was told on the first day of the Second War Loan, for instance, that already $92 millions had been subscribed and he was given the impression that he would have to move quickly if he was going to get a piece of the offering.

This sort of approach, say practical bond dealers, is quite backward. Too many small investors, The Post is told, got the impression that their money was not really needed, that the big fellows would be able to handle this call.

Had $20,000—Got Merely $500

A salesman for one particular bond house told The Post that after considerable persuasion he was able to get a man to take $500 worth of bonds. But when he was leaving he was told to come back again if the money was really needed, and he would get a $20,000 order.

Authorities here believed, and they will admit it quite frankly now, that they could raise $300 millions quickly and easily. Accustomed to dealing in astronomical figures and knowing that there were some $1,600 millions of money lying in the chartered banks they anticipated no difficulty. And so a quick, sharp campaign was planned. In this, according to professional loan opinion they violated the first principles of good showmanship. Instead of starting off with their poorest act and gradually working up to a climax they reversed the process.

And because they just scraped through on their Second War Loan, undoubtedly methods will be changed for the Third.

There is certain to be more preparation. Likely the country will be organized again into communities as it was in the last war. Community drives will likely again be in charge of trained bond salesmen. Canvassers will likely be paid, and the individually expensive overlapping of bond houses, banks, etc., which featured the first and second loan drives of this war will not be repeated.

Advertising will be pointed more to appeal to the small investor to make him feel that his savings, no matter how small, are needed.

May Have $50 Bonds

There will probably be $50 bonds included though these are expensive. It costs, according to Ottawa, 50 cents to print a $50 bond or exactly the same as one of $50,000. It cost the banks just as much to cash the 75 cent coupons. Ottawa hoped that the War Savings Certificates would tap this market. But old time bond salesmen point out that every investor starts some place and many put their very first savings into a $50 bond. They do not regard the War Savings certificates in the same category. They are children's or weekly routine stuff. There is more pride in a bond.

The general feeling among men actually engaged in organizing and selling the second loan is that an entirely different approach taken next time would prove successful. It should be assumed from the beginning that it is the biggest job of salesmanship ever attempted. People must be told effectively and in convincing style, by the local doctor and lawyer or general store proprietor, that war bonds are the soundest investment obtainable.

Instead of getting speeches in their motion picture theatres, it is being suggested that citizens be invited to special rallies all over the country, to be entertained by local artists. Exciting and heart-moving films dramatizing the work of the armed forces could be shown. A lucid reminder could be delivered during the course of the programme by a respected citizen, who at the same time is an experienced speaker. Posters and entertainment could do the rest of the salesmanship.

Longer Publicity

Instead of organizing the publicity to drop off almost completely after the first day or so, it should be started slowly a few weeks before and carried along in a gradually increasing tempo the experts say. It could be so planned as to reach its climax after the loan is launched and be maintained at the same pitch until success of the issue is fully assured. For the second loan, it was found necessary to hastily mobilize new publicity half-way through.

A further list of subscriptions of $100,000 or over is given, supplementing two lists published in the two previous issues of The Financial Post.

Ventures & Assoc. Co's.	$1,380,000
Previously reported at $1,100,000.	
Candn. Inter. Paper Co.	1,200,000
Previously reported at $200,000.	
Dominion Life Assurance Co.	1,000,000
Previously reported at $750,000.	
Candn. Gen. Elec. Co.	900,000
Previously reported at $750,000.	
Chrysler Corp. of Canada	500,000
Previously reported at $300,000.	
Candn. Order of Foresters	468,000
Previously reported at $200,000.	
Shell Oil Co. of Can.	425,000
Previously reported at $300,000.	
Salada Tea Co.	400,000
Previously reported at $200,000.	
Canadian Gypsum Co.	250,000
Preston East Dome Mines	150,000
Previously reported at $100,000.	
Caisses Populaires	150,000
Previously reported at $100,000.	
Canadian Bank Note Co.	125,000
Previously reported at $100,000.	
Gore District Mutal Fire Insce.	125,000
Previously reported at $100,000.	
Queen's University	125,000
Previously reported at $100,000.	
Canadian Dredge & Dock	125,000
Previously reported at $100,000.	
Moneta Porcupine Mines	110,000
Continental Casualty Co.	106,000
City of Toronto sinking fund	100,000
Northern Empire Mines	100,000
Davis Leather Co.	100,000
Waterloo Mutual Fire Insce.	100,000
Crow's Nest Pass Coal Co.	100,000
Pacific Mills Ltd.	100,000
David Spencer Ltd.	100,000
Woodward Stores Ltd.	100,000
Penny Bank of Ont.	100,000
Silverwood Dairies	100,000
Household Finance Corp.	100,000

Publishers Build Up Paper Stocks To Assure Emergency Supplies

From Our Own Correspondent

MONTREAL.—Apparent total of North American stocks of newsprint paper at the end of August was 786,709 tons, according to a compilation of the Newsprint Association of Canada. This is the largest figure for any month since May, 1938, and is considerably above the average monthly return for the current year.

A breakdown of the aggregate returns shows that stocks of paper on hand at the mills are below average for some time past, while those of the publishers have shown a relatively sharp increase.

Publishers Have More

At the end of August, U. S. publishers held 550,838 tons of newsprint paper. This represents an increase of 50,000 tons over the previous month and is the largest total since March of 1938. Further, it is the eighth largest monthly total ever reported by the publishers.

The publishers' stocks at the end of last month were equivalent to 59 days' supply. This contrasts with 54 days' supply at the close of July and 40 days' supply at the beginning of the year.

New Set of Conditions

Under ordinary circumstances there might be some concern over the relatively rapid rise in publishers' stocks—an increase of 116,000 tons since the beginning of the year—but conditions in the newsprint manufacturing and publishing business have brought about important major changes in the supply situation.

These changes, which are discussed in detail in The Financial Post's annual pulp and paper supplement which appears in this issue, may be condensed into three classifications:

(1) Interruption of regular deliveries due to transportation difficulties or abnormal bulges in demand from Empire markets, particularly the United Kingdom.

(2) The need of keeping a larger supply in view of the increasing consumption of paper.

(3) Unforeseen "breaking" of major stories and the necessity of having a larger supply of paper on hand to take care of sudden and large increases in circulation.

Bigger Supply Likely

While the present stocks may cause some concern, if considered in relation to those held by the publishers in the past, it is now becoming recognized that, at least for the duration of the war, the American publishers will carry a larger stock than normally.

There has always been a considerable difference of opinion as to what constitutes a normal supply of paper for the publishers. There is, of course, a relationship between consumption and the supply, but this is not always an accurate index.

Without any hard and fast rule to determine the normal supply, it is difficult, if not impossible, to make a definite assertion as to how much the current supply is in excess of the "normal" supply.

Build Up "Cushion"

Undoubtedly a cushion does exist, though in going on this assumption, it is well to keep in mind that the publishers have been co-operating with the mills in equalizing deliveries this year. Accordingly a number of them have acquired stocks now which ordinarily they would not have in their warehouses until late in the season.

It will be possible to form an approximate idea of the extent of this wartime "cushion" after the season of navigation closes. By November stocks ordinarily reach a peak. When the returns for that month are available, it will be possible to see what effect the equalizing of deliveries has had upon inventories, and also the extent to which the publishers have created a secondary reserve because of war conditions.

Overseas Markets Buy More Canadian Newsprint

From Our Own Correspondent

MONTREAL.—Canada's overseas newsprint export trade totalled 443,141 tons for the first eight months of 1940, as against 320,316 tons for the like period last year, according to figures released by the Dominion Bureau of Statistics. Already the figures are close to the total for all of last year, and indications are that the trade will record a considerable increase for the full 12 months.

Feature of the returns has been the recovery of the Latin American market. In the first eight months of last year shipments to this trading area were 16,215 tons, whereas for the like period this year shipments aggregated 130,109 tons.

This is the largest gain reported for any marketing area, but numerous other countries have turned to Canada for a larger proportion of their newsprint supply. Some healthy increases have been recorded. For example, British South Africa has increased purchases from 18.075 to 27,411 tons.

Trade from China jumped from 61 tons to 14,301 tons, while that with the East Indies advanced from 1,115 to 7,804 tons.

A breakdown of the overseas newsprint trade handled by the Canadian mills for the first eight months of 1940, with comparative figures for 1939, follow:

Canadian Newsprint Exports
(In short tons)
Source: Dominion Bureau of Statistics

	August		Eight Months	
	1940	1939	1940	1939
United Kingdom	22,787	28,514	79,685	148,411
Eire (Irish Free State)	1,951	1,693	6,534	8,245
Australia	16,118	19,063	131,375	106,858
New Zealand	2,512	2,466	20,210	15,881
Br. India, Burma & Ceylon	3,569	.....	13,465	28
British South Africa	3,301	1,387	27,411	18,085
British West Indies	186	152	2,145	657
Other West Indies	653	21	1,546	1,455
Argentina	3,787	2,464	58,975	8,146
Brazil	5,440	148	23,102	291
Chile	603	.....	6,357	.....
Peru	172	.....	5,373	.....
Uruguay	802	.....	5,640	.....
Venezuela	535	338	2,623	1,229
Other South America	371	78	3,332	202
Central America	277	109	2,188	430
Mexico	.....	.....	13,603	29
Cuba	1,492	573	8,918	5,888
Japan	3	.....	3	.....
China	5,982	6	14,201	61
East Indies	473	57	7,304	1,115
Philippines	308	76	2,118	1,024
All others	539	300	6,427	2,291
Total overseas	71,919	57,423	443,141	320,316

Food Chain Sales Show 5% Gain

Food chain sales of $128.9 millions for 1939 are reported by Canadian Grocer. This represents an increase of over 5% from the previous year's figure and is $300,000 ahead of the total for 1930—previous record year.

There are 87 chains in Canada operating four or more stores or a total of 2,046 units. Average sales per unit last year were $62,000. Total number of stores at the end of 1939 is 306 less than in 1930, and average sales increased by $8,000 per store.

Reduction in number of units operated is due to change in policy of some of larger firms of closing out small units and opening new and larger combination markets. Dominion Stores Ltd., for instance, now has about 360 units as against 570 at the peak.

Four chain firms were responsible for $81.4 millions of the total 1939 sales—63% of the total. The following table gives Canadian Grocer's figures of the estimated sales by leading companies:

Sales by Companies

Loblaw	$27,000,000
Dominion	19,900,000
Atlantic & Pacific	17,500,000
Safeway	17,000,000
Total	81,400,000

Order Puts Rents At Standstill

Pegs Levels While Local Committees Undertake Investigation

From Our Own Correspondent

OTTAWA.—Action of the Wartime Prices and Trade Board in pegging rental values in 17 Canadian localities at levels of Jan. 2, 1940, is in the nature of a standstill order to permit full investigation of rental conditons by rentals administrator, Mr. Justice W. M. Martin, and his technical adviser, Frank W. Nicolls, director of housing, finance department.

This was the same procedure followed by the Board in dealing with the price of bread as affected by the processing tax on flour.

It is understood local committees will be organized in the communities affected by the Board's order, and a full study will be made of the rent question before action is taken. The order applies to houses, apartments, rooms, and such services as garage, light, heating, water and equipment.

Premises not rented on Jan. 2, 1940, must be rented for the duration of the Board's order at the rental charged in the latest lease in 1939.

The order automatically amends existing leases that are out of line with Jan., 2, 1940, levels, as from Oct. 1, 1940. Excess rent paid in advance of Oct. 1 is recoverable, but not rent paid for any period prior to Oct. 1.

While the order applies specifically to centres of military and troop activity elsewhere, persons charging exorbitant rents are subject to prosecution under general profiteering regulations.

Can. Machinery Pays Dividend

A record of almost 20 years without paying dividends has been broken by Canada Machinery Corp. with the declaration of $3.50 a share on the 7% non-cumulative preferred stock. This payment covers the six months ended July 31, 1940, and is payable Oct. 21 this year to shareholders of record Oct. 1.

Previously, dividends at the full rate of 7% were paid for the years ending Jan. 31, 1918 to 1921 inclusive. No payments have been made since 1921.

Sales of the company in the first six months of the year which began Feb. 1 have shown an increase over the corresponding period of 1939. Machine tools being supplied to firms engaged on war orders have accounted for the major part of the increased business. Direct Government orders to Canada Machinery have not been large.

Last year Canada Machinery earned $10.35 a share on its preferred, following a long period of irregular earnings or deficits.

Grain Milling Activity Rises

From Our Own Correspondent

MONTREAL.—Operations of the Canadian milling industry were on a higher level in the year ended July 31 from the preceding year. Statistics for the twelve months period show that mill grindings of all grain, with the exception of corn, were sharply increased. Total grindings increased by 18.5%.

Following is a summary of grindings and production of the industry in the twelve months ended July 31:

	1939-40	1938-39	Chge.
	bush.	bush.	%
Mill Grindings			
Wheat	80,292,708	68,943,870	+16.5
Oats	16,790,132	13,344,564	+25.8
Corn	2,868,141	2,967,663	—3.4
Barley	1,827,490	1,447,916	+26.2
Mixed grain	26,468,523	21,572,090	+22.6
Totals	128,241,994	108,276,103	+18.5
Mill Production			
Wheat flour, bbls.	17,749,764	15,234,065	+16.5
Oatmeal, lb.	16,239,057	12,696,081	+29.5
Rolled oats, lb.	199,236,468	148,005,411	+34.6
C. fl. meal, lb.	25,993,652	27,935,923	—7.0
Wheat flour exp., bbls.	6,781,367	4,604,245	+47.4

Municipal Finances

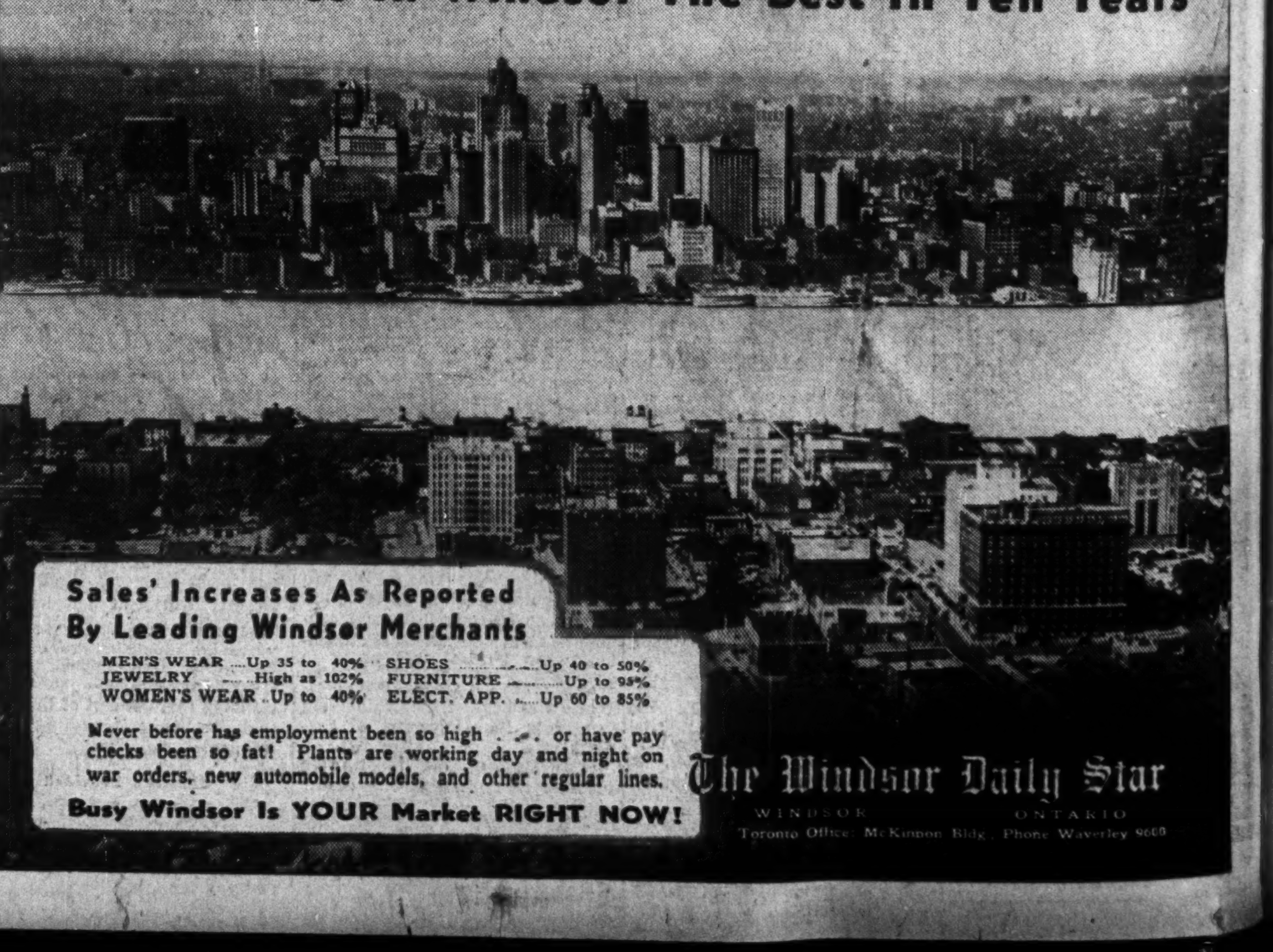
Edmonton's civic-owned utilities save taxpayers 20 mills per year, according to A. A. Campbell, city comptroller. Total surplus of the utilities in 1939 was $1.1 million. Only one of the "big five," namely the street railway, failed to earn a healthy profit. Instead, a deficit was shown. Other utilities are power plant, electric light, telephone and waterworks. The power plant is the biggest profit-maker.

* * *

New Brunswick's 34th annual convention of the Union of Municipalities passed a resolution requesting the provincial government to urge on the Federal Government the wisdom of considering the report of the Rowell-Sirois Commission. A resolution from the New Brunswick Federation of Labor, calling for stopping of fixed valuations for large corporations and business concerns, was tabled for study. It will be brought up again next year.

Hon. C. H. Blakeny, Minister of Municipal Affairs for New Brunswick, stated the crux of the problem of municipal reform lay with unpaid taxes. He reported $3.8 millions of arrears due New Brunswick municipalities at the end of 1939. He urged the union to appoint a committee to make a study of the municipal system.

Retail Sales In Windsor The Best In Ten Years



Sales' Increases As Reported By Leading Windsor Merchants

MEN'S WEAR ....Up 35 to 40%
JEWELRY ......High as 102%
WOMEN'S WEAR ..Up to 40%
SHOES ....Up 40 to 50%
FURNITURE ....Up to 95%
ELECT. APP. ......Up 60 to 85%

Never before has employment been so high . . . or have pay checks been so fat! Plants are working day and night on war orders, new automobile models, and other regular lines.

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Pulp and Paper Plays Big Role in War Effort

Canada Must Have American Exchange to Purchase Vital War Equipment Not Available in This Country—Pulp and Paper Industry is Now Major Contributor of That Exchange

By JOHN LANGDON
Eastern Editor, The Financial Post

For vital American credit in this second year of the war Canada will depend to a major extent on the pulp and paper industry. Gold exports and the tourist trade are also most important sources of this wherewithal to buy airplane engines, machine tools, chemicals and other key war materials, but the products of Canadian pulp mills will head the list.

One out of every six dollars of our gross export trade represents pulp and paper products.

And because of its widely scattered operations, pulp and paper manufacturing has a greater influence upon the economic life of the Dominion than any other manufacturing industry.

40 Years of Growth

This is the record of an industry that at the turn of the present century was not sufficiently important to be included in the Dominion's trade returns.

At this stage of the war, when every resource of the country — manpower, finances and industry—is directed to one end, the public has been impressed by the activity in making armaments, aircraft and those products directly concerned with the war effort.

The outward evidence of such activity is to be seen on all sides. But because the operations of the pulp and paper industry are concentrated in small, out-of-the-way places, and only a small percentage of the output is used within the Dominion, few Canadians have any comprehensive idea of what this industry means to Canada in war or peacetime.

Share in War Effort

What does the pulp and paper industry contribute toward the national war effort?

We are told this is an economic war. Unquestionably the wise utilization of our resources will have a vital bearing on the outcome of the conflict. Among other things we must have export trade to secure foreign exchange wherewith to purchase necessary war materials not produced within the country.

Every means are being taken to secure foreign exchange and in particular U. S. funds. The country has spent several hundreds of thousands of dollars, for example, in encouraging the tourist traffic, especially the movement of visitors from the United States. The prominence given to this source of U.S. funds has tended to overshadow and minimize what is being done in other directions.

Canada has recorded a favorable balance of trade in eight of the last 10 years.

The Dominion Government says: "From the standpoint of sustaining balance of trade, products of foreign origin have been more consistent than any other comparable group of commodities, and in the wood and paper group itself, the pulp and paper industry has become the chief contributor."

The net trading position of Canada since 1930, with the contribution made by the pulp and paper industry and of newsprint alone, is set out in the table below:

	Net Favorable Balance of Trade $	Contribution by Pulp & Paper $	Contribution by Newsprint $
1939	+311,542,000	133,648,000	107,360,000
1938	+285,751,000	160,779,000	120,007,000
1937	+402,369,000	145,166,000	110,176,000
1936	+299,753,000	120,433,000	90,761,000
1935	+241,584,000	108,441,000	82,148,000
1934	+238,467,000	96,901,000	73,238,000
1933	+128,594,000	88,794,000	74,136,000
1932	+ 32,749,000	124,649,000	103,003,000
1931	— 89,585,000	+133,818,000	127,353,000
1930	—103,336,000	+154,006,000	145,611,000

Vital to War Effort

At this stage in our national life a matter of vital importance in the war effort is not the gross value of trade, but the net amount of U. S. exchange secured from such trade. In this connection the pulp and paper trade, as already pointed out, is almost on a parity with the highly-vaunted tourist trade.

Because the United States is the world's largest market for pulp and paper products and because of our close proximity to that nation, an overwhelming proportion of the total pulp and paper exports from this country goes to the States.

In the last complete statistical year, $116 millions of the $142 millions of pulp and paper products exported went to the United States.

Considered from the angle of over-all trade with the United States, the industry grows even greater in stature.

Over 25% of the Dominion's trade with the States is in the form of pulp and paper.

As this is all practically a net trade (imports of pulp and paper being practically negligible) the revenue received goes a long way in making it possible for the Dominion to finance its purchase—for war or peacetime needs—in that country.

The importance of Canada's pulp and paper trade in relation to total trade with the States is set out in the following tabulation:

EXPORT TRADE WITH U. S.

	All Trade	Pulp & Paper
1939	$375,900,000	$111,593,800
1938	423,130,638	130,230,000
1937	435,014,000	119,243,000
1936	360,302,000	96,624,000
1935	304,721,000	89,072,000

Canada's Greatest Export Product

If among the questions asked by Dr. Gallup in his hypothetical survey of Canada was one asking the public to name the principal Canadian export product, the answer would be overwhelmingly in favor of wheat. Again the answer would be wrong: it is newsprint paper!

Canadian wheat provides food for a large proportion of the world's population, but Canadian newsprint is the means by which an equally large number of the world's population is kept informed of news developments.

Gold, nickel, copper, automobiles, wheat flour and a host of other products are commonly believed to be our ranking trading media with the nations of the world. They are important, but not nearly so important as newsprint. The latter is head and shoulders above all other products.

The relative standing of the more important Canadian export commodities is set out in the following list:

	1939	1940
Newsprint	$107,360,000	$120,007,000
Wheat	84,494,000	116,274,000
Gold bullion	87,590,000	86,204,000
Nickel	49,566,000	61,919,000
Copper in forms	42,190,000	45,674,000
Planks and boards	37,101,000	43,663,000
Meats	35,376,000	41,363,000
Wood pulp	26,814,000	39,960,000
Fish	25,623,000	26,283,000
Automobiles	22,807,000	25,299,000
Aluminum in bars, etc.	24,795,000	20,749,000
Wheat flour	15,778,000	23,221,000
Furs, raw	13,585,000	13,998,000
Asbestos, raw	13,266,000	13,721,000
Pulpwood	13,231,000	12,469,000
Cheese	12,053,000	12,939,000
Cattle	10,280,000	13,915,000
Whisky	9,457,000	18,828,000
Lead	9,434,000	14,116,000
Zinc	8,873,000	16,059,000

Contribute in Other Ways

Newsprint is our greatest export commodity. But there are other products of

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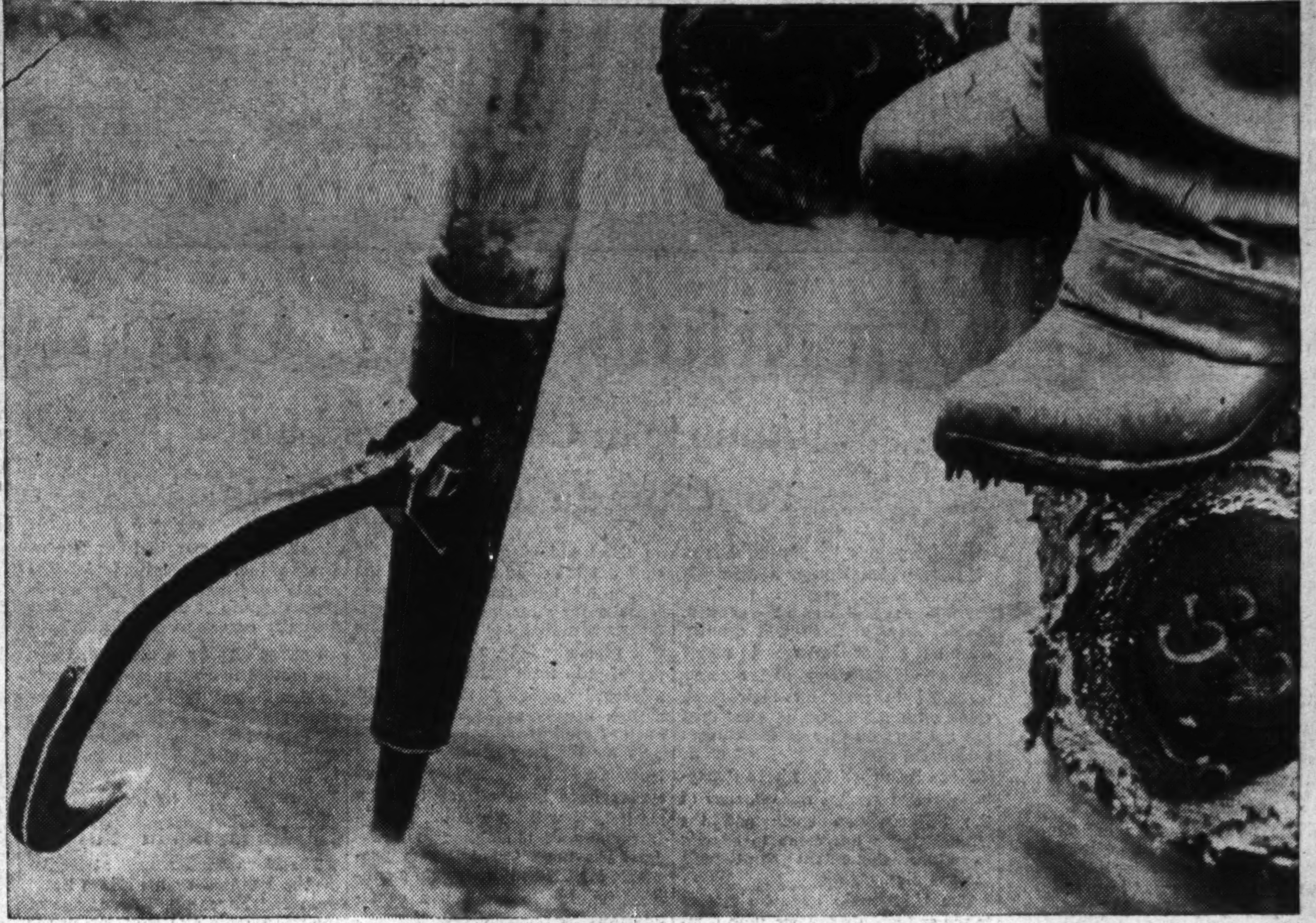
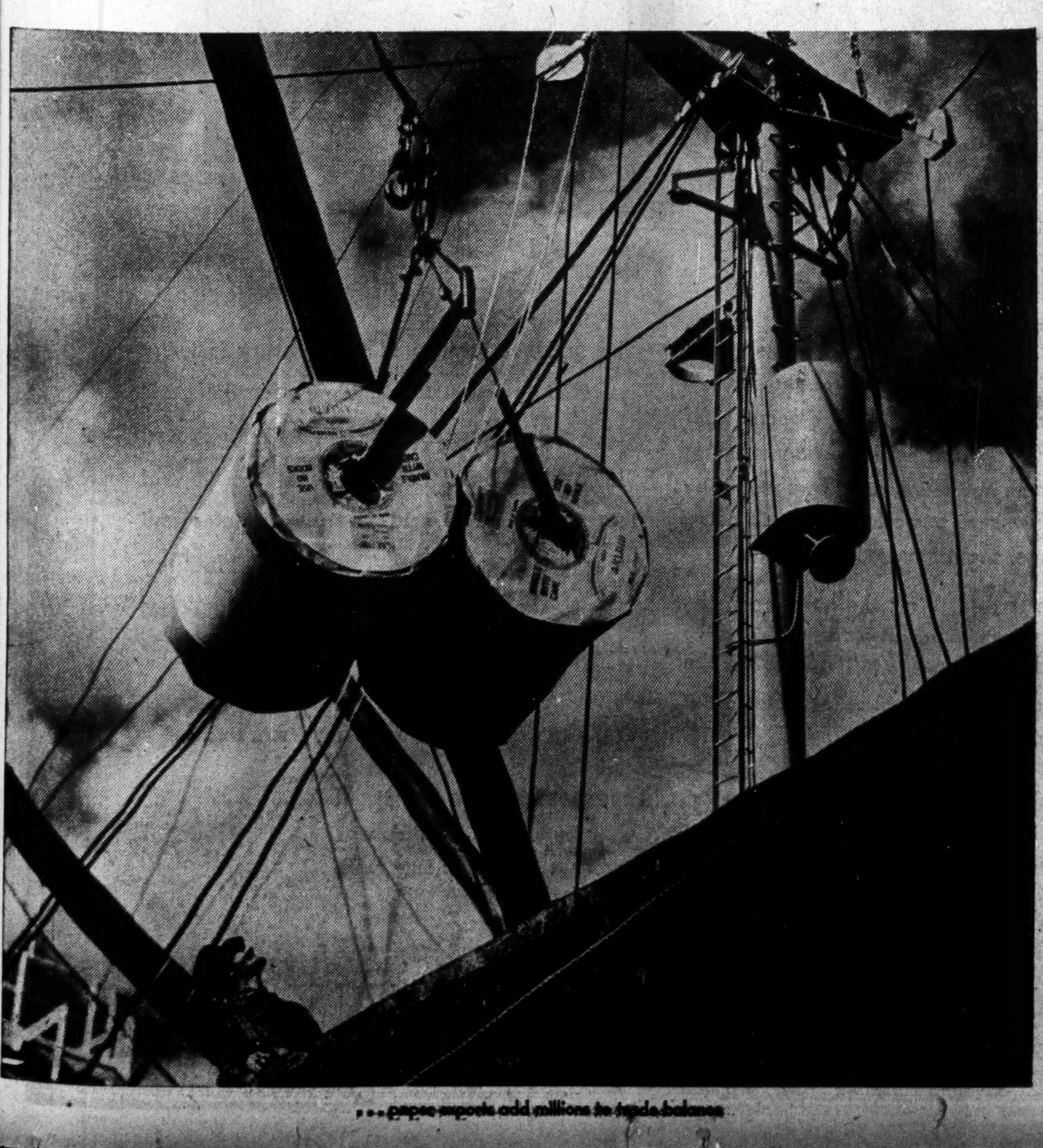


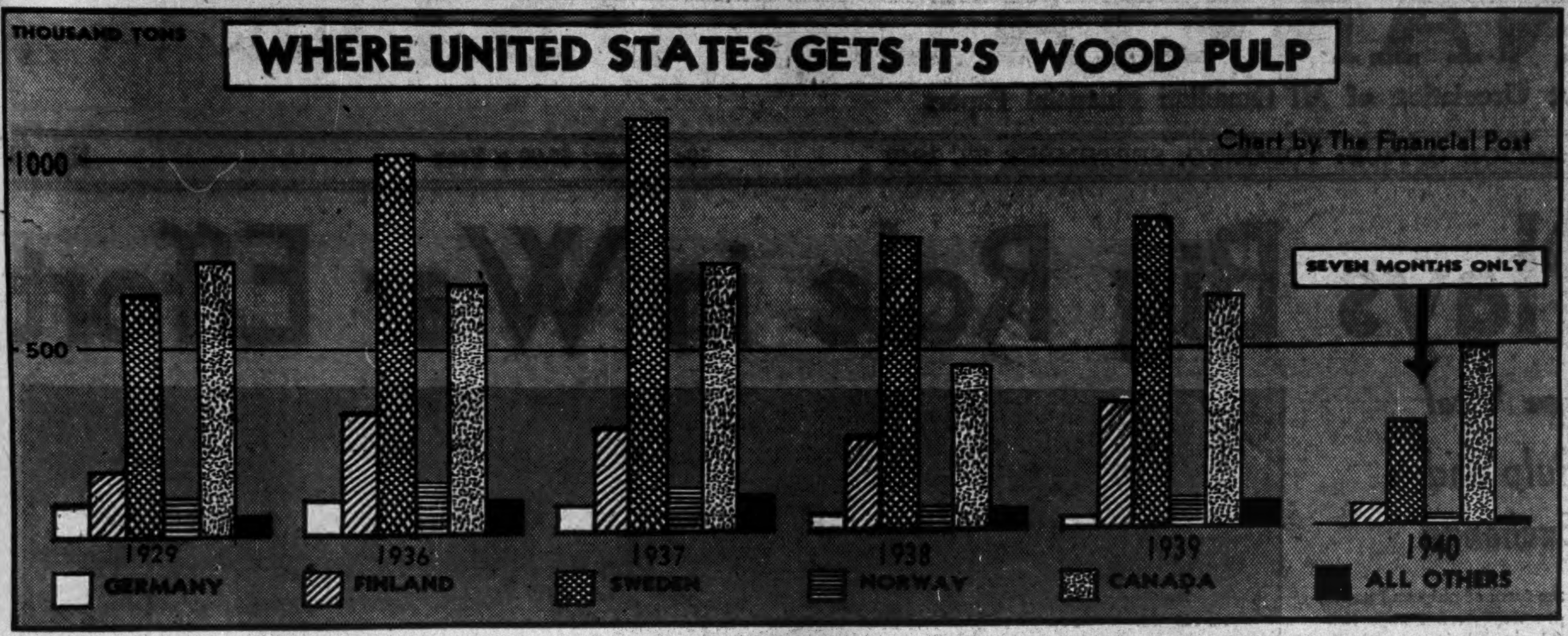
. . . all things have a humble beginning

. . . chips for pulp to feed the giant paper machines



. . . paper exports add millions to trade balance

. . . 1800 feet of newsprint a minute for the world presses



Pulp Operators' Big Opportunity

American Consumers Look To Canada to Fill Needs

War has effected a major change in operations and outlook of the Canadian pulp industry. The Dominion is one of the world's largest pulp producers, ranking next to the United States. A large percentage of the total production is retained for further processing, but the balance is sufficient to place the country among the foremost pulp exporting nations in the world.

This trade has experienced a series of ups and downs in the last decade. On the whole it has not been a prosperous period. Most of the export trade is conducted with the United States, and the keen competition from Scandinavian producers in that market has made it difficult for Canadian operators.

The war in Europe has brought about a realignment of the world pulp trade. In particular it has meant a major readjustment in the sources of supply for the United States markets. During the closing months of 1939 there was a sharp pickup in demand, based largely on the fear of a rapid rise in the price of all grades of pulp.

Turn to Canada

The invasion of Finland by Russia and the overrunning of Norway by the Germans was followed by a blockade. This meant the withdrawal of Norway from the world pulp and paper trade. Sweden and Finland were placed in a position where it was extremely difficult to continue making regular deliveries. As a result the Scandinavian countries, which had previously supplied the bulk of the United States imports, were practically eliminated as a competitive factor in the American market.

The United States has realized for some months past that she must look to Canada to make up the difference between domestic supplies and total requirements. As a consequence the Canadian pulp industry has assumed a new importance and the outlook for the manufacturers of this particular commodity has become increasingly favorable.

Trend of Paper Exports

Canada's export trade in pulp, particularly with the United States, has varied rather widely in recent years. The general trend of Canadian exports is shown in the following table:

Canada's Pulp Export Trend

	Tons
1939	705,514
1938	554,037
1937	870,716
1936	754,496
1935	662,475
1934	605,641
1933	608,509
1932	452,292
1931	622,537
1930	760,220
1929	830,848

U. S. is Best Market

A breakdown of these returns shows that all but a small proportion of the mechanical pulp exports goes to the United States. The chemical trade covers a wider area, but here again the U. S. is by far the best market.

A breakdown of the market for Canadian pulps in the past two years is set out in the table below:

Canada's Pulp Exports—All Grades

	Tons	
	1939	1938
U. S.	606,587	453,861
Great Britain	72,437	67,694
Japan	10,086	16,506
France	4,505	8,413
Italy	6,620	5,135
Others	5,279	2,428
Total	705,514	554,037

The extent to which the United States, the largest pulp market in the world, is dependent upon Canada and other countries to make the deficiency in domestic supply is set out in the following tabulation showing imports by countries in 1939 and 1938 for mechanical, sulphite and sulphate pulps:

U. S. Mechanical Pulp Exports

	Tons	
From:	1939	1938
Canada	162,188	122,216
Finland	20,148	16,872
Norway	118	514
Sweden	45,314	19,537
	227,768	159,139

U. S. Sulphite Pulp Imports

	Tons	
From:	1939	1938
Canada	365,977	253,516
Finland	185,532	170,368
Germany	21,290	37,968
Sweden	436,174	438,483
Norway	79,689	57,481
All others	46,508	68,032
	1,135,170	1,025,848

U. S. Sulphite Pulp Imports

	Tons	
From:	1939	1938
Canada	105,525	82,552
Sweden	387,998	349,383
Finland	129,307	71,668
Norway	15,825	12,370
All others	15,109	668
	653,764	516,641

Radical Changes Noted

These tables, of course, do not give a clear impression of the radical changes which have taken place in the world export trade since commencement of the war last September. There was a bulge in the demand for pulp in the closing months of 1939, which turned a mediocre year into a good year.

While Finland was at war with Russia, supplies from that country were cut off, or dwindled to minor proportions. Norway and Sweden managed to maintain their pulp trade with the States, at least during the first quarter of the current year.

Since then conditions have strongly militated against maintenance of the Scandinavian trade and the United States has come to depend to an increasing extent upon Canada for supplies.

The U. S. pulp import situation to the end of July follows, with comparative figures for the like period in 1939:

U. S. Pulp Imports (January-July)

	Tons	
	1940	1939
Canada	496,282	307,282
Finland	67,438	171,900
Norway	17,190	42,980
Sweden	278,440	481,398
All others	6,678	51,014
Total	866,028	991,574

It will be noted that Canada's trade with States has increased by nearly two thirds; Finland's has dropped to a third; Norway almost as much; while Sweden has been able to hold her trade to around 60% of the 1939 level.

Of even greater significance is the fact that during last July practically all of the United States imports of pulp—all grades—originated in the Dominion.

Hold Price Advance Down

This turn of events naturally has found reflection in the price schedule. The price of all grades has advanced sharply, though the contract rate not abnormally so. Spot prices, of course, have varied widely to date and, in the main, are well above those prevailing a year ago.

It is well to mention that the pulp producers both in the United States and Canada apparently are following a policy of not charging what the market will bear. There is a greater desire for stability, for elimination of the tendency to pile up reserve stocks in anticipation of a rising price trend.

The outlook for the Canadian pulp companies depends almost wholly on the trend of demand from the United States. In that country the pulp mills have been working at capacity for some months and indications are that the United States will probably take a record quantity of pulp from Canada this year; a record probably that will be broken next year with a continuation of conditions.

So far the pulp situation has not reached a point where marginal producers have been attracted to the market. It will be recalled that in 1937 many of the Canadian newsprint producers found it very profitable to utilize all their pulp manufacturing facilities. Such a condition may be repeated.

There is no particular reason for any untoward developments in the pulp situation as far as Canada and the United States are concerned. Just recently the U. S. National Defense Advisory Commission made a survey of the situation, in the light of recent developments, and said that there is no actual shortage of pulp, with the possible minor exception of special grades. Nor is there likely to be any shortage, for additional capacity can be made available, while there is always Canada to draw upon.

In the latter connection the Commission said that imports from Canada will probably increase.

Definitely the prospects for the Canadian pulp trade are encouraging. The switch by the U. S. importers from Scandinavian to Canadian sources of supply has already brought about a substantial increase in the volume of trade and, as the National Defense Commission points out, this trade should continue to increase.

Many Marginal Operators

There are a score or more Canadian companies producing pulp for sale. Those who depend wholly, or at least for the major share of their income, upon pulp operations, number less than 10. This list, of course, does not include companies like Abitibi or Canadian International Paper which secure fairly substantial revenues from the sale of sulphite pulp, nor the other newsprint and fine paper manufacturers which might be classified as marginal producers. Some of these companies, under favorable conditions, can supply a substantial pulp tonnage for either domestic or export purposes.

But, as already mentioned, there are around 10 companies which may be classified as pulp operators primarily.

In the Maritime area there are four plants of some importance, one in Nova Scotia and three in New Brunswick.

Minas Basin Pulp

The Nova Scotian mill at Hantsport is operated by the Minas Basin Pulp and Paper Co. This is one of the few remaining pulp firms in the Dominion, manufacturing operations of which are devoted exclusively to the manufacture of groundwood pulp. Its entire output amounting to between 60 and 70 tons daily is sold to Scott Tissue Paper Co. in the United States.

Operations of the company have been maintained at capacity level for some time. By this fall production will be stepped up to between 110 and 120 tons daily, through the installation of four new grinders. The equipment is in the last stage of installation and the necessary power arrangements have been made.

Expect Higher Earnings

Earnings of the company this year should show an increase. Not only will there be an increase in pulp production, but the company is cutting between 30 million and 35 million feet of lumber for the British Timber Control. Only a small proportion of this supply will be cut on the company's own limits.

One factor which may keep down earnings for 1940 is that in the first two months of the year there was an unprecedented water shortage which had the effect of sharply curtailing production.

Operations of the company's subsidiary, Canadian Keyes Fibre Co., also continue along favorable lines. The subsidiary's output is devoted largely to the manufacture of pulp products such as pie plates, etc.

Last year Minas Basin had a revenue from all sources of $542,078, as compared with $431,700 the year before.

Directors—Albert Parsons, pres., Walton, N. S.; D. W. Murray, vice-pres.; R. A. Jodrey, man. dir. and sec.-treas.; C. P. Wyman, 2nd vice-pres. and asst. sec.-treas.; T. B. Akin, Jr., J. J. Jodrey, Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, P. T. Strong, Halifax; K. L. Crowell, Bridgetown, N.S.; Mrs. A. L. Wright, Wolfville, N.S.; K. L. Warren, Riviere du Loup, Que.

Fraser Cos.

Fraser Companies is not only the largest high-grade pulp producer in the Maritime Provinces, but also one of the largest in the Dominion. This company and its subsidiaries have stepped up operations.

For the first half of the year the company had a consolidated net income of just under $1.5 million, as compared with $506,730 for the like period in 1939. After provision for all senior charges, including depletion and depreciation, there was a net profit before income taxes of $473,245, as against a deficit of $447,539 the year before.

In commenting on the profits statement, the company emphasizes that a substantial amount will be required for Dominion, Provincial and United States income tax, for which no provision has been made in the interim account. It was also stressed that the statement to June 30 shows provision for depreciation at substantially the same amount as a year ago, while it is possible that the rate of depreciation for the entire year will have to be increased to compensate for the increased rate of operations.

Better Pulp Market

The pulp division is experiencing a good demand with a better price than prevailed a year ago. It would appear at this stage that the company will have no difficulty in finding a market at higher prices for all the pulp that it can produce during the war period.

Lumber operations should be better this year, but everything depends upon the ability of the English buyers to secure bottoms.

Directors—Col. K. S. Maclachlan, pres., Montreal; A. W. Brebner, vice-pres., Campbellton; Donald Fraser, Plaster Rock; Harold Crabtree, A. H. Campbell, A. M. Irvine, H. P. Thornhill, Montreal; S. F. Duncan, Toronto; F. C. Beatteay, Saint John; Hon. R. B. Hanson, Fredericton.
Vice-pres. & gen. mgr.—Aubrey Crabtree.
Vice-pres. & compt. treas. and sec.—L. M. Sherwood.

Restigouche Co.

Fraser Companies' principal subsidiary, Restigouche Co., produces a high-grade sulphite pulp for processing into rayon yarn. Operations this year have been better, though the gains have not been as pronounced as the general market situation would appear to indicate. This has been due to the fact that there was some low-priced contract pulp to be worked off in the first quarter, which had the tendency to keep down earnings.

Last year Restigouche Co. reported an operating revenue of $171,565. This compares with $574,367 the year before.

Port Royal Pulp

Port Royal Pulp & Paper Co.'s mill at Fairville, just outside Saint John, has been operating at capacity due to the revival of demand for high-grade sulphite pulp.

Improvement in the financial position of the company is reflected in the fact that on June 1, Port Royal was in a position to redeem $40,000 of its serial bonds. Under the arrangement with the bondholders, the company has to redeem $40,000 each quarter. At present there are outstanding just under $350,000 of first mortgage bonds.

The property operated by this company is the old Nashwaak Mill. Control was acquired by Quebec interests and it was financed, in part, with the assistance of the provincial and local government authorities. Initial operations were satisfactory. About two years ago the company became a sub-contractor for Brown Co. to deliver pulp to Japanese buyers. This arrangement collapsed and it was necessary to close down the mill. Further financial arrangements were made and last year the plant was reopened.

Since then the plant has been operating on a 24-hour a day basis, giving employment to over 225 men.

Quebec Pulp

Quebec Pulp & Paper Corp., with plant in the Saguenay region of Quebec, has come in for attention recently due to reports of the possible reopening of the Chicoutimi mill.

This company owns important timber limits, water power, and an idle groundwood mill. Because of the low prices for mechanical pulp, it has been possible to operate the mill on a profitable basis and no pulp has been produced for some years.

From time to time there has been talk of the re-opening of the mill. In order to do this a heavy capital expenditure would be involved, a step which would not be warranted without the assurance of a long-term contract. So far there has been no definite assurance of such. Another obstacle to the near term re-opening of the plant is that the company has no wood on hand. It would be possible to purchase some supplies, etc., from contractors, but a regular supply from the company's own property would not be available until next spring.

Control of the company is jointly held by Consolidated Paper Corp. and Price Brothers & Co. In addition, there is a fairly wide investment interest in the preferred stock.

Officers and Directors—A. S. McNichols, pres., C. R. Whitehead, vice-pres.; Montreal; Maj. Edward Flynn, vice-pres., Kenogami, Que.; G. M. McKee, J. G. Porteous, George Henderson, Montreal; J. H. Price, Col. C. H. L. Jones, Quebec, P.Q. Treas.—Oswald Brand. Sec.—J. M. Carignan.

Gaspesia Sulphite

Further improvement in the position of Gaspesia Sulphite Co., in which Anglo-Newfoundland Development Co. has a substantial interest, is indicated in the report that the company plans to spend around $100,000 on plant improvements. This would be in line with the company's programme to further improve the quality of its high-grade unbleached sulphite pulp which is

(Continued on page 18)

Pulp Securities

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
British Columbia Pulp & Paper:						
Pref. cum. 7% par $100	556,200	d26.46	d69.51	....	....	....
Common, n.p.v.	100,000 shs.	d1.86	d4.26	....	....	....
Fraser Companies:						
Common, n.p.v.	371,016 shs.	d0.56	d0.05	22	5	12
Restigouche Co.:						
Common, n.p.v.	*250,000 shs.	Not available		....	....	....
*Pledged as security for parent company's first mortgage bonds.						
Brown Company:						
6% pref. cum. par $100	*10,000,000	Not available		....	....	....
Common, n.p.v.	*†400,000 shs.	Not available		....	....	....
†Nearly all held by officials of company.						
*Prior to reorganization.						
(Proposed capitalization)						
Pref. $6 cum., par $10	‡140,506 shs.	....	....	....	....	....
Common, n.p.v.	1,999,634 shs.	....	....	....	....	....
‡Assuming no general creditors take preferred stock.						
Lake Sulphite Pulp:						
Common, n.p.v.	150,007 shs.	Not available		5⅛	½	1
Minas Basin Pulp & Power:						
7% pref. cum. par $100	250,000	Not-available		....	....	....
Common, par $50	7,000 shs.	Not available		....	....	....
Port Royal Pulp & Paper:						
Common, n.p.v.	40,545 shs.	Not available		....	....	....
Quebec Pulp & Paper:						
7% pref. non-cum. par $100	7,000,000	....	....	....	....	....
Common, n.p.v.	100.000 shs.	....	....	....	....	....

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
British Columbia Pulp & Paper:					
1st Mtge. S. F. Gold	6	*1950	3,130,500	0.56	nil
Gen. Mtge. S. F. Gold	7	†1950	1,223,500		
†Coupons payable May 1, 1932, to Nov. 1, 1934; Nov. 1, 1935, to May 1, 1937; and Nov. 1, 1938, to May 1, 1942, all incl., postponed to Nov. 1, 1942. Interest on unpaid coupons at rate of 7%.					
*Interest due May 1, 1939, to Nov. 1, 1940, inclusive, postponed to Nov. 1, 1942, with the right of prepayment should financial position warrant; sinking fund payments, 1939-42 inclusive, cancelled.					
Fraser Companies:					
1st Mtge. Ser. 1936	6	1950	7,575,000	0.57	0.96
Restigouche Co.:					
Prior Lien 10-yr.	6	1942	*500,000	...	...
Mtge. Sink. Fund	6	1948	4,243,000	2.03	2.74
*Authorized.					
Fraser Paper:					
1st Mortgage	6	....	†2,500,000	...	...
Gen. Mortgage	7	....	†7,500,000	...	...
†Pledged as security for parent company's first mortgage bonds.					
Brown Company:					
(Prior to reorganization)					
1st Mtge. S. F. Gold, A	5½	1946	16,732,500	nil	nil
Do., Serries B	5½	1950	4,683,000		
Interest in default on Series A from Oct. 1, 1935; Series B from Sept. 1, 1935.					
(Proposed funded debt under reorganization.)					
Coll. note, prior lien	5	1940–54	*10,000,000	...	...
Gen. mtge. cum	5	1959	*12,849,300	...	...
*To be issued.					
Lake Sulphite Pulp:					
1st Mtge. Convert. A	5½	1937	*3,000,000	...	...
*To be issued and outstanding. Not issued due to company's financial condition. Late in 1937, company issued $1,250,000 10-year convertible notes which are converttible into stock at $28 per share.					
Minas Basin Pulp & Paper:					
1st Mtge. Sink. Fund	6½	1949	265,000	...	...
Do.	5½	1956	93,800		
Do.	5½	1957	97,000		
Do.	5	1957	68,600		
Ref. Gen. Mtge.	5½	1953	188,000		
Do.	5½	1954	1,000		
In addition $96,000 of series 1954 held as collateral and unsold.					
Port Royal Pulp & Paper:					
1st Mortgage Serial	5	1937–41	625,000	Not avail.	

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THE CANADIAN INDUSTRY is now called upon to carry the burden of most of the world's newsprint requirements. The demand for Canadian newsprint, in the domestic market, in the United States and overseas, grows month by month. The news of a world at war is being printed on paper manufactured in Canada.

For the same reason, War, the calls upon the Industry for various grades of pulp have increased sharply. These are trends which the continuation of hostilities will accentuate rather than diminish.

The national position of the Industry is today exceedingly important, not only for the gross value of its production, which in 1940 may exceed $160,000,000.00, but because more than 90% of that production is sold for United States and other foreign currencies. The newsprint Industry is thus one of the largest contributors to the real income of the nation, a factor of first importance in maintaining the high purchasing value of the Canadian dollar in international markets.

With prudence and foresight in management the Newsprint Industry is making an invaluable contribution to Canada's war effort; when peace comes it will meet a new economy with security and confidence.

PRICE BROTHERS & COMPANY, LIMITED

From Sausage Casings To Deadly Explosives

Research Widens Use of Wood Cellulose Products —Rayon Plastics, Yeasts and Ether Among By-products

Canada ranks next to the United States as the world's largest producer of woodpulp. She is also second among the pulp-using countries. This is a commendable achievement. However, when it is considered that the pulpwood resources of the country are largely converted into one of the cheapest products that can be made from pulp—newsprint—it is questionable if these resources are being used to the best advantage.

Large-scale pulp and paper operations in this country have had of necessity to be based on an export market. Therefore the industry has concentrated its attention on the manufacture of newsprint paper. Fine paper and paper specialties are produced in limited quantities for the domestic market. With one or two exceptions, such as kraft paper, few items are for export. Over and above all there is a surplus of pulp available for export.

Pulp exports are important. They aggregate in volume and value considerably less than newsprint but as compared with other Canadian commodities produced for export they stand high on the list.

Exports Over $31 Millions

Last year the value of chemical, mechanical and other types of woodpulp from Canada was over $31 millions. This compares with $27.7 millions the year before and is well above the average of the past 10 years as will be seen from the following table:

Value Canadian Pulp Exports

1939	$31,001,000	1934	$25,445,000
1938	27,731,000	1933	23,355,000
1937	41,816,000	1932	18,930,000
1936	31,247,000	1931	30,057,000
1935	37,626,000	1930	39,060,000

Values are not a particularly good index as to the importance of this trade, inasmuch as the selling price of the various grades of pulp sometimes varies widely as from year to year. For example, the average contract value of chemical pulp has ranged from $62.92. to $44.47 a ton since 1928, while mechanical pulp has sold as high as $28.58 and as low as $20.34 a ton.

Big Gain of Late

In quantity of exports, the Canadian pulp trade is more impressive. The trend of shipments, by the two main classifications, is set out below:

Canadian Pulp Exports—Tons

Year	Chemical	Mech.	Total All Grades
1939	526,773	168,651	705,514
1938	421,597	124,205	554,037
1937	680,264	166,802	870,716
1936	597,511	133,519	754,496
1935	519,480	124,054	662,475
1934	472,447	120,121	605,641
1933	459,772	132,152	608,509
1932	328,533	116,229	452,292
1931	443,903	165,098	622,537
1930	527,800	208,758	760,220
1929	585,108	209,758	830,848
1928	628,439	203,670	863,802

Develop New Products

It has long been recognized that the conversion of pulp into newsprint is not the best way in which the full value can be realized on our forest resources Extensive research work has been carried out in this and other countries to find uses for the cellulose derived from woodpulp. The results, have been rather amazing considering the length of time that has been devoted to this work. Hundreds of new products have been involved. Many more are still in the experimental stage.

The new products have made for an increasing demand for woodpulp from Canada and other countries. Sweden has been particularly active in catering to this new trend in the pulp and paper industry and from being an important newsprint producer Sweden has diverted its resources to the production of superior grades of pulp for export.

New Trend Developing

It is by no means impossible that with a return to normal conditions in the world, that the trend of operations in Canada's pulp and paper industry will be more and more away from the manufacture of the low-return newsprint paper to the production of specialty pulps not only to meet the needs of new industries at home but those developing in other parts of the world.

What research has done in developing new cellulose and other chemical products from wood, excluding paper, is set out in a special paper prepared by G. J. C. Potter, of the Forest Products Laboratories of the Dominion Forest Service of the Department of Mines and Resources. A close reading of this paper brings a new and broader appreciation of the future possibilities of the pulp industry.

The pulp and paper industry is the greatest manufacturing employer of labor in the Dominion.

The chief chemical products from wood can be divided into seven main divisions and each division in turn into many sections. In the purified wood cellulose group, the most important product is viscose rayon. The manufacture of rayon today consumes over half the woodpulp used in industries other than paper making. Canada has two large plants using wood cellulose in the manufacture of artificial silk.

Allied with viscose rayon is viscose staple fibre which is secured by cutting rayon filaments to the length required for admixture with other fibres. It was originally a product of rayon waste, but for some time now it has been made separately from rayon.

Two very important recent developments in this fibre are a wool mixture and men's summer suitings. Staple fibre is also used in house furnishings, such as bedspreads, curtains, table-covers, etc. The cotton industry is encouraging the development of staple fibre, as it is largely used in mixture with cotton.

Cellophane and Sausages

A well-known use of high-grade cellulose pulps is in the manufacture of transparent sheeting, under trade names such as Cellophane, Transparit, Heliozell, Zellglas and Cetaphane.

A number of patents have been taken out covering the manufacture of sausage casings from cellulose. Canada was a pioneer in this field, but its development in Germany has been more marked.

One of the latest commercial uses of cellulose is in the manufacture of sponges from bleached sulphite pulp. They are largely used now in cleaning automobiles and painted walls and their use is extending.

The use of wood pulp in the manufacture of cellulose nitrate has been extending of recent years, especially with the increased use of pyroxylin products—paints, varnishes, tubes, rods, etc. This field of activity has grown considerably because of war conditions and rearmament programmes.

Purified wood pulp is coming into competition with cotton linters as a raw material for nitrocellulose, one reason for this being that wood pulp is now obtainable in a dense mass, less voluminous than cotton linters, so that considerably more nitrocellulose with a much smaller bulk of acid can be produced with existing equipment.

Even Produce Ether

Cellulose ethers, for example benzyl cellulose and ethyl cellulose have only recently been put on the market. Wood pulp is used in their manufacture, but the proportion is not known. Benzyl cellulose is made by a subsidiary of Imperial Chemical Industries. Ethyl cellulose is manufactured in Germany and by the Hercules Power Co. and the Dow Chemical Company in the States. The use of both of these products is being extended.

Groundwood and highly purified wood cellulose are used as fillers in plastics.

Variety of Plastics

Groundwood and other pulps also are used in making such molded articles as mats for beer glasses, plates, trays, etc., for picnics and airplane service, sun helmets, etc.

A considerable quantity of absorbent material made from bleached sulphite pulp is at present on the market. The pulp is run from special machines and the final wadding is unconverted bleached sulphite pulp.

Waste sulphite liquor is an important source of valuable by-products. Over 20 sulphite pulp mills in Sweden and some in Germany convert this waste into ethyl alcohol. It is used chiefly as denatured spirits and as a motor fuel.

Various concentrates of sulphite waste liquor are put on the market as binders for roads, linoleum, briquetting coal, cement, etc.

Baker's yeast also is being produced from waste sulphite liquor. Canada has been well to the fore in this respect, the Best Yeast Ltd. having had a plant in operation at the Mersey Paper Co.'s mill at Liverpool for several years past. The same company recently completed a new plant near the Ontario Paper Co.'s mill at Thorold, Ont.

The only plant in Canada producing vanillin on a commercial scale from sulphite waste liquor is that of the Howard Smith Chemicals Ltd. Cornwall, with a capacity of 200 to 300 pounds a day, or about 40 tons annually.

For some time extracts from waste sulphite liquor have been used in the United States in the tanning industry. They are serviceable and, as they are well known, it is likely that their production will increase.

In concluding his survey Mr. Potter says it is generally agreed that in the future more and more wood pulp will be used for purposes other than paper making. It is estimated that the world's consumption of pulp for producing viscose rayon and film will increase at the rate of 100,000 tons a year for at least five years. In conjunction with this it has been estimated that one million tons of pulp were consumed in 1937 for purposes other than paper making. These figures are based on processes actually in operation.

Coast Mills Active

Newsprint production on the Pacific coast will run appreciably higher in 1940 than was the case in 1939. The reallocation of world markets due to the disruption of regular sources of supply by war conditions, has brought to the Canadian mills much additional business in which those on the Pacific coast have shared. These mills are not party to the prorating scheme which prevails in Ontario and Quebec, although their rate of production parallels that in the east.

Powell River

The other British Columbia newsprint producer, Powell River Co., is the largest operator on the coast. It is privately owned by the Brooks interests of Minneapolis. Since 1914 annual capacity of the company has increased from 65,000 to around 300,000 tons. Most of the company's output is sold in the United States, although it also carries on business in the domestic market, Australia and the Orient.

Operations and earnings have been well maintained though much in line with those prevailing in the eastern area. On this basis current operations are in excess of 80% of effective capacity.

In addition to its newsprint operations, Powell River Co. also produces a fairly substantial amount of sulphite pulp for sale on the open market. In 1938 the company established a pulp plant with a capacity of 100 tons of sheet sulphite a day at about 55% air-dried. This year further work was undertaken on the plant, resulting in the installation of a new drier and baling press, permitting production of unbleached sulphite pulp 90% air-dried. There was no change in the normal capacity of the plant.

Powell River is one of the seven coast companies which was indicted by a Federal Grand Jury in San Francisco for violation of the anti-trust laws in connection with the manufacture and distribution of newsprint paper on the Pacific coast. This matter is still before the courts.

Pacific Mills

Pacific Mills Ltd., British Columbia subsidiary of Crown Zellerbach Corp., operates at Ocean Falls, where the company has installed equipment capable of producing on an annual basis 90,000 tons of newsprint; 28,000 tons of machine-finished wrapping paper; 18,000 tons of sulphite pulp; 62,000 tons of groundwood pulp; 30,000 tons of kraft pulp; and 5,000 tons of wrapping and tissues.

Production last year was increased to 65% and during the past 12 months the mills have been operating at capacity.

Bigger Profits in 1939

The company reports net profit of $1.2 millions for the fiscal year ended April 30, after deducting $622,230 for depreciation and depletion. Earnings for the previous year amounted to $497,574 after making numerous deductions.

Net profit for the year represented a return of 6.95% on the equity of shareholders, compared with 2.9% for the previous year and 4.82% for the year ended April 30, 1938.

Stocks:

	Outstand.	Earned Per Share		Price Range 1939-40		Last Price
	$	1939 $	1938 $	High	Low	
Powell River:						
Pref. par $100	4,312,000	Not available		....	....	....
Com. par $100	3.600,675	Not available		....	....	....
Pacific Mills:						
Common, par $100	7,500,000	....	....	....	....	....

Exports Help Win the War

●

Canada needs millions of dollars of American exchange to finance war purchases in the United States. Next to gold, newsprint is the most important single commodity which Canada sells to the United States and to the world.

The Ontario Paper Company, Limited, and its subsidiary, Quebec North Shore Paper Company, are proud to be part of an industry which brings American dollars to Canada to help win the war. Out of every $100.00 worth of Canadian goods of all kinds exported to the United States in 1939, $5.25 represents the value of the newsprint purchased in Canada by the two newspapers which own The Ontario Paper Company, Limited, and the Quebec North Shore Paper Company. These two publishers are among Canada's best customers.

THE ONTARIO PAPER COMPANY, LIMITED
HEAD OFFICE AND MILL — THOROLD, ONTARIO

QUEBEC NORTH SHORE PAPER COMPANY
MILL — BAIE COMEAU, P. Q.

Manufacturers of newsprint paper exclusively for their publisher-owners, The Chicago Tribune and The Daily News of New York; organized and always operated as non-commercial mills; never selling newsprint on the market or to other publishers.

Island Mills Step Up Output

Newfoundland's newsprint operations this year have been substantially better than a year ago. This is of the utmost importance to the economic life of the Island and its war effort. Newsprint is the principal export of the island and, as a large proportion of the paper produced is paid for in American dollars, the resulting foreign exchange is a vital influence in keeping down the Island's unfavorable balance of trade. Likewise the revenue from the sale of newsprint has a strong bearing upon the welfare of a fairly large proportion of Newfoundland's population.

The improvement which has taken place in the Newfoundland newsprint industry position is apparent from the production and shipment figures. To the end of last August the Island's two mills produced 231,777 tons. This contrasts with 194,529 tons for the like period of 1939. Indications are that the output for the full year will come close to the record figure of 1937 when 350,146 tons were produced.

Sales Over Output

Of even more importance is the fact that the demand for the island's newsprint this year has been greater than current production; in other words, it has been necessary to draw down from the supply of paper carried over from last year's operations. For the first eight months of this year shipments amounted to 251,233 tons, as against 172,447 tons in the corresponding period a year ago. Present indications are that, with a normal export movement in September, shipments for the first nine months will be as great as for all of last year.

Break down of the trade figures reveals interesting changes in the marketing of Newfoundland newsprint. For example, to the end of August this year, shipments to the United States amounted to 102,280, or more than double for the same period in 1939. Again, it might be said that shipments to the end of August were greater than for all of 1939, and there is an excellent prospect that deliveries for the full year will be greater than for any other year on record.

Shipments to other markets overseas, notably the United Kingdom, have been considerably disturbed because of war conditions. Nevertheless to the end of August overseas deliveries totalled 148,489 tons, up from 121,063 tons in the same period for 1939.

Bowater's Newfoundland

The two newsprint mills on the Island have been operating at close to effective capacity for the current year. Bowaters Newfoundland Pulp & Paper Mills' plant at Corner Brook has been particularly active. The rate of operations and earnings for this year should be considerably better than in 1939. In the latter year the company's mill operated at an average capacity of 88% compared with 71% in the previous year.

Total revenue in 1939 amounted to nearly $2.2 millions as against less than $1.3 million the year before. Net profit after depreciation and interest was $341,696, as against a deficit in 1938 of $482,819, an overall net improvement of almost $825,000.

Adding to Pulp Unit

In accordance with the terms of the agreement entered into with the Newfoundland Government the company is increasing capacity of its existing sulphite pulp plant for the production of an additional 30,000 tons of pulp annually. Work in connection with the necessary extensions and alterations to the mill is progressing satisfactorily. It is anticipated that the new plant will come into operation early in 1941. The company has entered into a contract for the sale of the whole of the additional output of sulphite pulp until 1972.

The necessary arrangements to finance construction and operation of these extensions have been completed. In this connection an issue of $2.5 millions of first mortgage bonds was made toward the end of last year.

Have Shipping Problem

One of the biggest problems facing Bowaters Newfoundland, as well as the Anglo-Newfoundland Development Co., the other newsprint operator, is the matter of shipping. Difficulties are being experienced in maintaining the requisite shipping facilities for the export of pulpwood and for the purpose of distributing newsprint and sulphite pulp. The difficulties are more in the way of irregularities rather than to any shortage of shipping. Although Bowaters owns its own ships, the carrying capacity, particularly having regard to the longer time occupied by voyages on account of the convoy system, it is not sufficient to handle the growing volume of exports. However, this is a matter which is being studied by the company.

Directors—Eric V. Bowater, pres., London, Eng.; G. S. Currie, 1st vice-pres., H. M. S. Lewin, resident dir. and gen.-mgr., Major T. S. Howard, sec.-treas., Corner Brook, Nfld.; C. G. Heward, J. Frater Taylor, Highlands, Danesville, Woking, Surrey, Eng.; A. A. Ritchie, New York; A. B. Meyer, J. H. Penson, W. Angus Reid.

Anglo-Newfoundland

Anglo-Newfoundland Development Co.'s plant at Grand Falls, is one of the major units in the North American newsprint industry. War conditions have had their influence on operations, the extent of which may be judged by the fact that the company is planning on a pulpwood cut this season of some 277,000 cords as against 199,000 last season.

A large part of the company's output is contracted for by Associated Newspapers Ltd. in England. Because of the British Paper Control Board's restrictions the consumption by English newspapers has declined. On the other hand, the demand from the United States and South American markets has expanded at such a rate that the Grand Falls plant has been operating on a capacity basis for some months.

Pulp Sales Help

Anglo-Newfoundland has also benefitted by the strong demand in the American market for sulphite pulp. In 1938, when newsprint operations were at a low point, the company took advantage of the slack period to place itself in a position to supply a larger quantity of sulphite pulp for sale on the open market. Improvements were also made to the newsprint unit and the power development increased, with the result that the company was in an excellent position to take advantage of the changed pulp and paper market.

In addition to its pulp and paper activities, Anglo-Newfoundland has other extensive interests on the Island. The company operates a real estate division and in addition has an interest in the Buchans mine.

The Buchans mine is Newfoundland's only base metal producer. In 1939 it produced 200,000 tons of concentrates and employed 750 men full time. Since the outbreak of the war, operations have been placed, for the most part, under government control. No particulars are available as to revenue from this source, but in the past it has been an important source of income for Anglo-Newfoundland Development Co.

Directors—F. J. Humphrey, pres.; R. A. McInnes, vice-pres.; A. S. Fuller, Hon. E. Harmsworth, E. A. Sursham, Sir G. Sutton, London, Eng.; R. C. McMichael, Montreal; W. E. Wood, St. John's, Nfld.; H. A. Guess, New York, V. S. Bennett, S. J. Bell, V. S. Jones, vice-pres. and gen. mgr.; J. M. Keddie, sec.-treas.

80% is Newsprint

Newsprint paper represents just over 80% of all the paper produced in Canada. Production is greater than that reported by any other nation, while the amount contributed to the world's markets is also greater than that of any other country.

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	1938
Bowater's Nfld. Pulp & Paper Mills:					
Series of 1939	4½	1968	995,000	1.30	0.57
Series of 1940	5	1968	2,500,000		
Int. Power & Paper Co. of Nfld.:					
1st Mtge. Ser. 1928	5	1968	4,866,000	Not avail.	
Do., Ser. of 1936	4½	1968	1,467,000		
Guar. deb. stk. A	3	1973	8,515,630		
2nd deb. stk. A	3	1973	715,375		
Nfld. Power & Paper:					
Guar. mtg. deb. stk. B	5½	1970	8,685,865	...	...
Anglo-Newfoundland Development:					
1st Mtge. deb. stock	4½	....	7,347.216	Not avail.	

Canada Gives World-lead In Newsprint Manufacture

Canada continues to lead by a wide margin all other newsprint producing countries in the world. Last year the Dominion accounted for 2,869,000 tons out of the 7,714,000 tons manufactured by all nations. In some respects the returns for 1939 were abnormal in that many of the newsprint producing countries were affected by the war. For example, there was a relatively sharp decline in output for the British Isles, Germany, France and "other Europe." For the current year this condition will be even more pronounced, so that the percentage of world output supplied by Canada will probably be greater than ever before.

Examination of the world trend of newsprint production shows a development of interest to Canadian manufacturers. This is the move by many countries to make themselves self-sufficient as regards the supply of this type of paper. Taking the period from 1929 to 1937, the returns show that the British Isles increased newsprint production from 637,000 to 1,033,000 tons. France stepped up output from 210,000 to 424,000 tons. Japan, Finland, Newfoundland, Russia, Netherlands and other countries also recorded comparatively substantial gains in productive capacity,

The trend of newsprint production in the principal producing nations in the 10-year period from 1929 to 1939 follows:

World Newsprint Production (Thousands of Short Tons)

	1939	1937	1935	1933	1929
Canada	2,869	3,648	2,753	2,017	2,729
British Isles	848	1,033	970	830	637
United States	939	946	912	946	1,382
Germany	415	521	464	412	622
France	276	424	358	335	210
Japan	437	413	368	304	286
Finland	519	449	329	285	217
Newfoundland	308	350	336	271	254
Sweden	305	303	298	266	273
Norway	226	212	182	167	189
Russia	200	192	193	135	48
Netherlands	104	106	92	87	77
Other Europe	236	373	347	330	383
All Others	12	2	26	16	13
World Total	7,714	*8,972	7,628	6,421	7,333

* All-time record.

Acknowledgments

Photographs used in this survey of the pulp and paper industry are the work of Margaret Bourke-White and have been supplied through the courtesy of the Canadian International Paper Co.

Statistical returns for the most part are those of the News Print Service Bureau, Newsprint Association of Canada, American Newspaper Publishers Association, U. S. Pulp Producers Association, the Dominion Bureau of Statistics, the U. S. Department of Commerce and other recognized sources.

Pulp Operators Opportunity

(Continued from page 16)

designed for the requirements of the United States market.

The shutting off of the Scandinavian supplies has turned the attention of the American buyers to the Gaspesia product, and operations have been close to capacity for some months.

No particulars are available as to the earning power of the company or its financial position, as there is no public interest in the enterprise.

Brown Corp.

At La Tuque in the St. Maurice River valley region of Quebec, Brown Corp. operates one of the largest sulphite plants in the Dominion, capable of producing 310 tons daily of quality sulphate pulps.

Operations have been on a stabilized basis for some time. Since commencement of the war capacity operations have been the rule and the operating and financial statement for the current year is expected to be the best since 1937.

For some time past Brown Corp. has had under consideration plans which would bring about the doubling of capacity. In this connection a substantial capital outlay has already been made in improving the wood-handling facilities, but the expansion of the mill itself has been deferred pending reorganization of the parent company.

Parent Company Reorganizing

The La Tuque enterprise is a wholly-owned subsidiary of Brown Co., of New Hampshire, which has been in receivership for some time past. There has been a considerable delay in the reorganization of the company due to disagreements among the various security holders and creditors. However, a compromise arrangement was reached and at present the bondholders and others are being asked to confirm the reorganization plan. Up to the middle of September, approval had been received from holders of 60% of the bonds compared with the minimum two thirds required for this class of security under the Bankruptcy Act.

The reorganization involves the raising of several millions of new capital and this will be used in part to finance the expansion programme.

Big Gains This Year

Operations of Brown Co., with which are consolidated those of Brown Corp., have shown wide gains this year.

Consolidated sales for the 32 weeks ended July 13 were $15.3 millions, as contrasted with $9.7 for the like period of 1939.

Net income before depreciation, depletion and preferred interest on the present bonds was over $2 millions compared with a loss of $226,583 for the like period last year.

Voting trustees and initial directors as provided in reorganization plan.

Voting Trustees — C. F. Adams, T. J. Coolidge, E. M. Hopkins.

Directors—R. Braun, O. B. Brown, J. H. Fahey, J. J. Hagerty, H. P. Kendall, W. De Krafft, G. A. Morris, Serge Semenenko, L. T. Whittemore.

Lake Sulphite

In Ontario the only exclusive pulp company in which is a public investment interest is the Lake Sulphite Pulp Co. This enterprise went into bankruptcy before its bleached sulphite and rayon pulp mill at Red Rock, Ontario, could be completed. The original plans were to have this mill in operation by the early part of 1938.

There have been numerous attempts made to re-organize the company. American interests have investigated and while there have been reports of a plan for some time past, no actual offer has been made to the receiver or the security holders. The rise in demand and price for sulphite pulp has made rehabilitation of the property a more attractive proposition. Approximately $4 millions to $5 millions will be needed to place the company on a sound financial footing.

Directors — R. O. Sweezey, chm.; John Stadler, pres.; Joseph Simard, Montreal; B. L. Smith, G. C. Leitch, J. W. McColl, Toronto.

Gen. mgr.—J. B. Beveridge, **Sec.- treas.**—W. H. Hurd.

Shareholders' Committee — G. G. Blackstock, Peter Campbell, Toronto; G. S. Burden, J. McL. Stephens, N. C. Polson, Marius Doye, Montreal; Harold Freeburne, Hamilton.

B. C. Pulp

Out on the Pacific coast the British Columbia Pulp and Paper Co. plant has been operating at capacity since the middle of June. This means that the company is now producing bleached sulphite pulp at an annual rate of between 100,000 and 110,000 tons.

Expectations are that this rate of operation will be warranted throughout the war period and for some time thereafter, depending upon to what extent British Columbia is able to retain the new outlets made available by the present situation.

The United States market is absorbing the major part of the company's present output, with a certain amount going to Great Britain. Rayon pulp is being sold to Japan but not in large quantities.

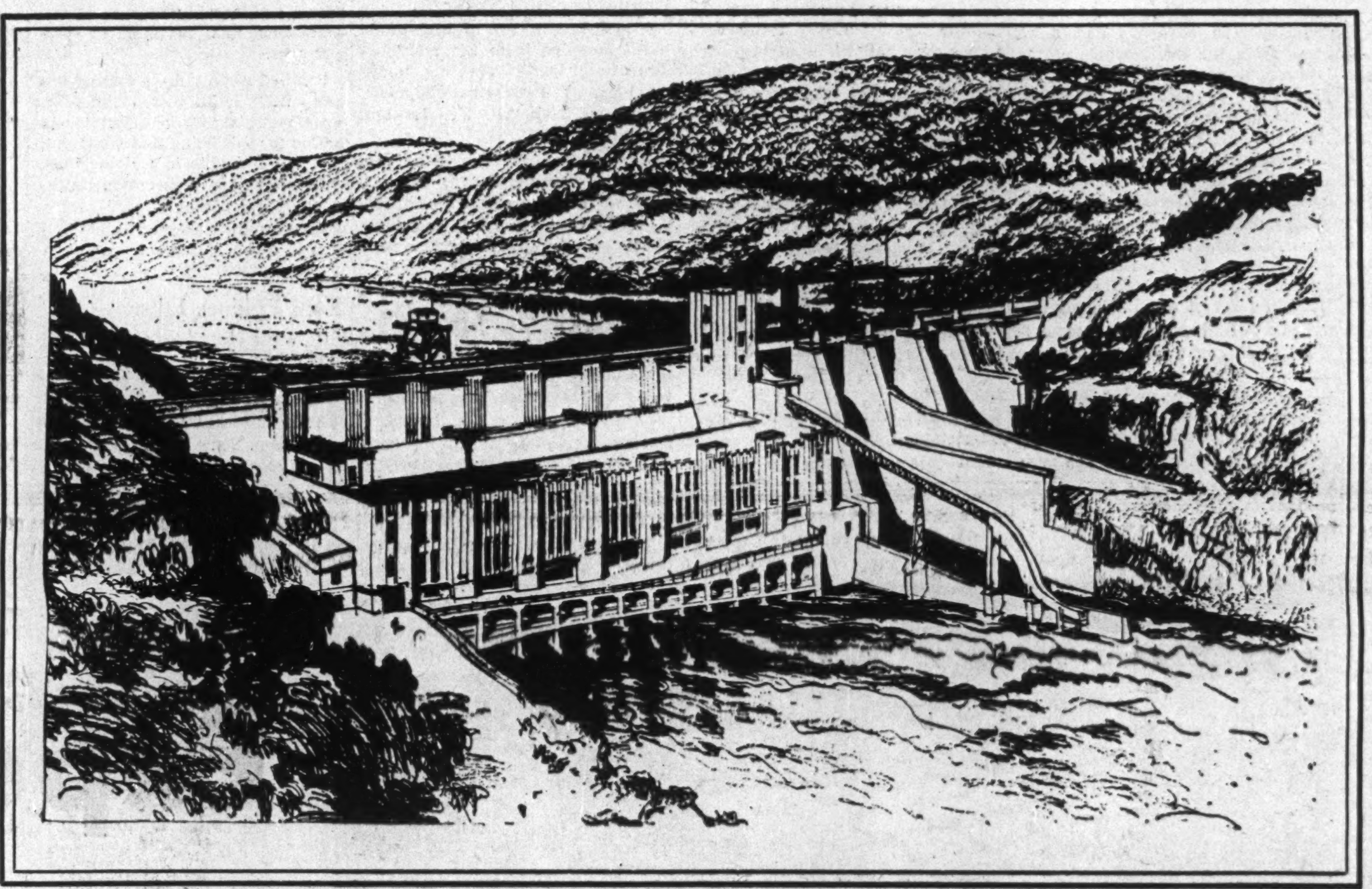
Operations and earnings have fluctuated rather widely in recent years. Given a volume of business ensuring full operations of both the Port Alice and Woodfibre plants, the company can show remarkably good earnings. For example, in 1937 the company had an operating profit of $1.2 million and in 1938 an operating loss of $42,044. In 1939, which was not a particularly good year except in the closing months, earnings came back to show a profit of $435,955. This was reflected in the financial position of the company. During the year $700,000 of time loans were paid off, while the current bank loan was reduced from $1,609,000 at the end of 1939 to $1,062,000 at March 27 last.

It is possible that with the improved earnings the company will take some action in respect to interest on its mortgage bonds. Payment of interest on the first mortgage bonds has been made up to November 1, 1938, but coupons due from May 1, 1939, to November 1, 1940, have been deferred to November 1, 1942. On the general mortgage bonds the coupons maturing November 1, 1938, to May 1, 1942, inclusive, together with coupons previously postponed to November 1, 1940, have been postponed to November 1, 1942.

Directors—Lawrence Killam, pres.; George Kidd, vice-pres.; O. A. Jorgenson, treas.; R. C. Buchanan, W. H. Malkin, Cecil Killam, Vancouver; I. W. Killam, Montreal.

Sec.—Miss E. M. Dominy.

RESERVE POWER SUPPLY AIDS CANADA'S WAR EFFORT



One of the modern plants of the Shawinigan system, located at Rapide Blanc, 114 miles above Shawinigan Falls on the St. Maurice River. It is of the same order as a power producer as the plant now rapidly approaching completion at La Tuque. The Rapide Blanc plant develops 160,000 horsepower and can be extended to 240,000. The La Tuque plant will come into production this fall.

More than one-fifth of the Canadian newsprint production comes from mills which depend on the St. Maurice River for their supply of power. The increased production of pulp and paper products in Canada necessary to replace the interrupted Scandinavian supplies and to fill the greater demand which now exists, has resulted in operating ratios, in the Canadian mills approaching 90% of full capacity.

The location of several new plants in the territories served by The Shawinigan Water and Power Company, as part of Canada's contribution to the Empire's great task in the vital struggle in which it is now engaged, coupled with the quickening pulse of other industrial operations, has made great demands on the facilities of the company.

All these demands have been met promptly and without interruption or dislocation of any service in the vast territory served by the company's lines.

The imminent completion of the hydro-electric plant of the St. Maurice Power Corporation at La Tuque, with an initial installation of 162,000 horse power, will insure an adequate supply of electric power for further industrial requirements.

NOWHERE ELSE IN THE BRITISH EMPIRE IS THERE SUCH A STRATEGICALLY VALUABLE COMBINATION OF LOW PRICED ELECTRIC POWER IN CLOSE PROXIMITY TO TIDEWATER HARBOURS, AS IS TO BE FOUND IN THE PROVINCE OF QUEBEC. IN THE BUILDING UP IN THIS PROVINCE OF A GREAT PRODUCTIVE CAPACITY, NOW MOBILIZED TO SERVE THE EMPIRE, THE SHAWINIGAN WATER AND POWER COMPANY HAS MADE AN IMPORTANT CONTRIBUTION.

The
Shawinigan Water & Power Company
MONTREAL, P.Q.

Wide Gains for Newsprint Producers

Large Increase in Sales and Higher Dollar Income

The "oat-bin" of the chemical pulp industry. First manufacturing operation is reducing the pulpwood to a mass of chips which are stored ready for conversion into pulp.

Reorientation of world newsprint markets has brought a substantial amount of business to Canadian mills, and particularly to those located in Ontario and Quebec. These two provinces represent the centre of the industry, as of the more than a score of newsprint mills, only five are located outside the area.

Production since the beginning of the year in the Ontario-Quebec mills has been well ahead of the same period last year. The gain for all Canada to the end of August was around 486,000 tons, and as between 80 and 85% of the output comes from central Canadian newsprint plants, the increase in the area to date amounts to well over 400,000 tons.

As far as can be foreseen at this stage production is likely to continue at a relatively high rate for the balance of the year. Quebec and Ontario mills will produce more newsprint this year than for any other year in history with the exception of 1937.

Output is Uniform

Practically all the mills in the two provinces are subject to prorating; in other words, their production is closely linked up with their rated capacity in relation to the volume of business available. Exceptions to this are the non-commercial mills such as those of the Ontario Paper Co. and the partial exemption granted to Spruce Falls Power and Paper, Anglo-Canadian Paper Mills, etc. As a consequence the mills in the area operate at the same ratio of capacity; the bigger the capacity, the larger the output.

This policy was devised solely as a means of stabilization and allowing for capacity operations of the non-commercial mills, it is a comparatively simple matter to estimate the productive efforts of the various mills. Thus allowing five points for mills not subject to prorating, the prorated mills in Ontario and Quebec have averaged better than 80% of effective capacity in the last four months, as contrasted to about 60% in 1939.

Higher Profits in Prospect

Earning power of the Ontario-Quebec mills has been materially improved by the fact that a large percentage of the output is sold in American dollars. The 10% premium on U. S. funds is equivalent to an extra $5 a ton in Canadian funds.

Having this in mind, together with the higher operating ratio, it is generally conceded that operating revenues for 1940 will be substantially ahead of 1939 and even 1937. Certainly for the first half of the year gross revenues were higher than for any like period in the history of the industry.

Affect Net Profits

Net profits, however, are a different matter. Administration and other charges, notably taxes, will move forward sharply this year. So far the increased volume of business has made for operating economies and absorbed to a large extent, if not wholly, increasing costs of labor and materials due to war conditions.

The factor which will have the greatest bearing on the net return of the Ontario-Quebec operators, as well as those in the other provinces for that matter, is taxes. The Dominion Government has already announced an increase in the minimum corporation income tax from 18% to 30%. On past performances many of the companies would not be seriously affected by this, as after providing for depreciation and depletion, they have had barely enough to cover fixed charges.

The excess profits tax is another matter. This wartime tax provides that the major share of the excess earnings over the average of the past four years must be turned over to the Government. It is obvious that with the subnormal earnings of the past four years, the newsprint industry will be particularly vulnerable to this tax, especially as earnings this year will be well above average.

One ray of hope is that in passing this legislation, provision was made for special consideration of companies operating in depressed industries. The newsprint companies in Ontario and Quebec certainly can put forward an excellent case for special consideration, but decisions may come slowly.

Prospects Continue Good

Operating prospects continue encouraging. There is no prospect of a shortage of materials or finished product to meet demand. Costs are believed fairly well under control at least as far as the next six months are concerned.

On the demand side indications are that sales have not yet reached a peak in the major U. S. market, though further restrictive meaures in various overseas markets are anticipated.

Price Bros.

The Saguenay region of northern Quebec is represented by two important newsprint producers, Lake St. John Power & Paper Co. and Price Bros. & Co. By far the largest and oldest is Price Bros., which in one form or another has been operating on the Saguenay for over 100 years.

The company owns two modern and efficient newsprint mills, having a combined capacity of around 320,000 tons annually. The larger of these mills is at Kenogami and the other at Riverbend. The Kenogami plant also has a cardboard and wrapping paper machine having a daily capacity of around 30 tons. On the south shore of the St. Lawrence the company operates three sawmills with a combined capacity of about 75 million feet board measure. A wholly owned subsidiary operates a cardboard and specialty mill of 50 to 60 tons daily capacity.

Operations More Extensive

Operations and earnings of the company this year should be on a better scale than in 1939. Properties are well located and with the present demand for newsprint, lumber and other products produced, prospects are that net income for 1940 will be the best reported in some time. It is believed quite within the realms of possibility that the company may show as much as $3 to $4 a share on the common before provision for the excess profit tax.

Pays Preferred Dividend

Indicative of improved earning power is the fact that the company is paying the current dividend on the preferred stock. The stock went on accumulative basis as from Jan. 1, 1939.

The company was reorganized in 1937 following failure to meet bond interest requirements. Since then Price Bros. & Co. has been able to effect a considerable improvement in its position, an improvement which will be enhanced by results from operations this year.

Finances Strengthened

Since the reorganization an excess of current liabilities over current assets amounting to $7.2 millions at March 31, 1937, has been converted into a new working capital position of $9.7 millions at the end of 1939. The company has earned and paid interest on both first mortgage bonds and debentures regularly since reorganization, while the bank loan has been reduced to $2.3 millions.

Among assets of the company is a large investment account, shown at market value at just under $3.5 millions at the end of 1939 season. It includes holdings of 12,850 shares of Aluminum Co. of America and over 14,220 shares of Aluminium Ltd.

Directors—H. J. Symington, chm.; Col. C. H. L. Jones, pres.; A. A. Aiken and J. H. Price, vice-pres.; J. D. Johnson, J. C. Newman, P. F. Sise, W. A. Arbuckle, Montreal; Alfred Marois, A. C. Picard, A. C. M. Thomson, Quebec, P.Q.; Sir Keith Price, London, Eng.
Sec.—Hector Cimon.
Treas.—P. W. Sims.

Lake St. John

Lake St. John Power & Paper Co., operating in the Saguenay region and controlled by St. Lawrence Paper Mills, has experienced an appreciable increase in operations. Indications are results for the year will be the best since 1937, when the company was able to cover all charges and show 90 cents a share on the common stock.

Some years ago it signed a contract to sell its entire newsprint output to the Hearst chain of newspapers. This did not prove as valuable as orignally believed and it was necessary for the company to go through a reorganization in 1936.

The company still has its Hearst contract, but it is not wholly dependent upon it for the reason that arrangements were made some time ago whereby other operators took over part of the delivery, permitting Lake St. John to accept other tonnage. This diversification of sales has been a strengthening factor which, on top of recently increased deliveries to Hearst, has enabled the company to make a better showing. Since October deliveries to Hearst have been on a cash basis, while the amount owing by that organization at the end of 1939 amounted to around $1.1 million.

Net working capital has improved from $1.3 million at the end of 1935 to nearly $2.1 millions at the close of 1939. A further increase is expected for this year.

Pay Debenture Interest

The betterment in the company's position is indicated in the action taken last spring whereby the 1938 interest on the debentures, only payable if earned, was paid to the holders. At the time it was stated that no action was taken in connection with the 1939 debenture interest in view of the company's desire to conserve liquid resources. It is expected that when the returns for 1940 are available, the directors will take steps to pay off the 1939 and possibly the 1940 interest. If that is done then the way will be open for Lake St. John to pay a dividend on its preferred or common stock.

Directors — D. H. McDougall, chm., Toronto; A. S. McNichols, pres., Montreal; H. H. Horsfall, vice-pres., Toronto; A. H. Campbell, A. S. Fraser, J. I. Rankin, John Stadler, Montreal.
Gen. mgr.—P. M. Fox. **Sec.-treas.**—C. W. Davison.
Voting trustee—D. H. McDougall*, H. H. Horsfall*, J. W. Mitchell†, Toronto; A. S. McNichols†, John Stadler*, Montreal.
*Representing bondholders, †debenture holders.

Consolidated Paper

Mention might also be made of another newsprint plant in the Saguenay region, namely, the Port Alfred division of Consolidated Paper Corp. The latter is one of the largest newsprint producers in the world, with operations centring in the St. Lawrence Valley where the company operates mills at Three Rivers, Grand 'Mère and Shawinigan Falls.

In common with other newsprint companies, the posiiton and outlook for Consolidated has undergone a marked improvement. Not only has there been an increase in demand, but the premium on American funds, covering a large percentage of the sales of the company, has strengthened earnings.

Higher Earnings Expected

Newsprint operations so far this year have averaged better than 70% of capacity as compared with about 60% during 1939. It is widely anticipated that earnings this year will probably be the best in the company's history.

Operating results in 1939 were the best up to that time. Bank loans were reduced appreciably and eliminated entirely in the first quarter of the present year. Also subsidiary debt was eliminated last April 30. Final sinking fund payments were made on the Ha! Ha! Bay Land and Building Co.'s debt and the Wayagamack News Co.'s debt.

Plants have been well maintained and now a programme for essential replacements and modernization is under way.

Pay Interest in Stock

Under the terms of the last arrangement made by the company with bondholders, interest on the first mortgage bonds was deferred until July 2, 1939. Interest became cumulative after that date, with first payment due on July 2 last.

The arrangement also provided that this interest might be paid in cash or shares of capital stock, or partly both, but if the company's net working capital did not amount to $10 millions, then the company was under no obligation to pay interest in cash for the period.

A full year's interest on the funded debt requires $2,849,379. At the end of last year net working capital amounted to $7.6 millions. While there was a further appreciable increase in working capital at April 30, the net figure did not show sufficient cash surplus over the $10 millions to provide for payment of bond interest in cash. Accordingly the company exercised its option and paid the

(Continued on page 20)

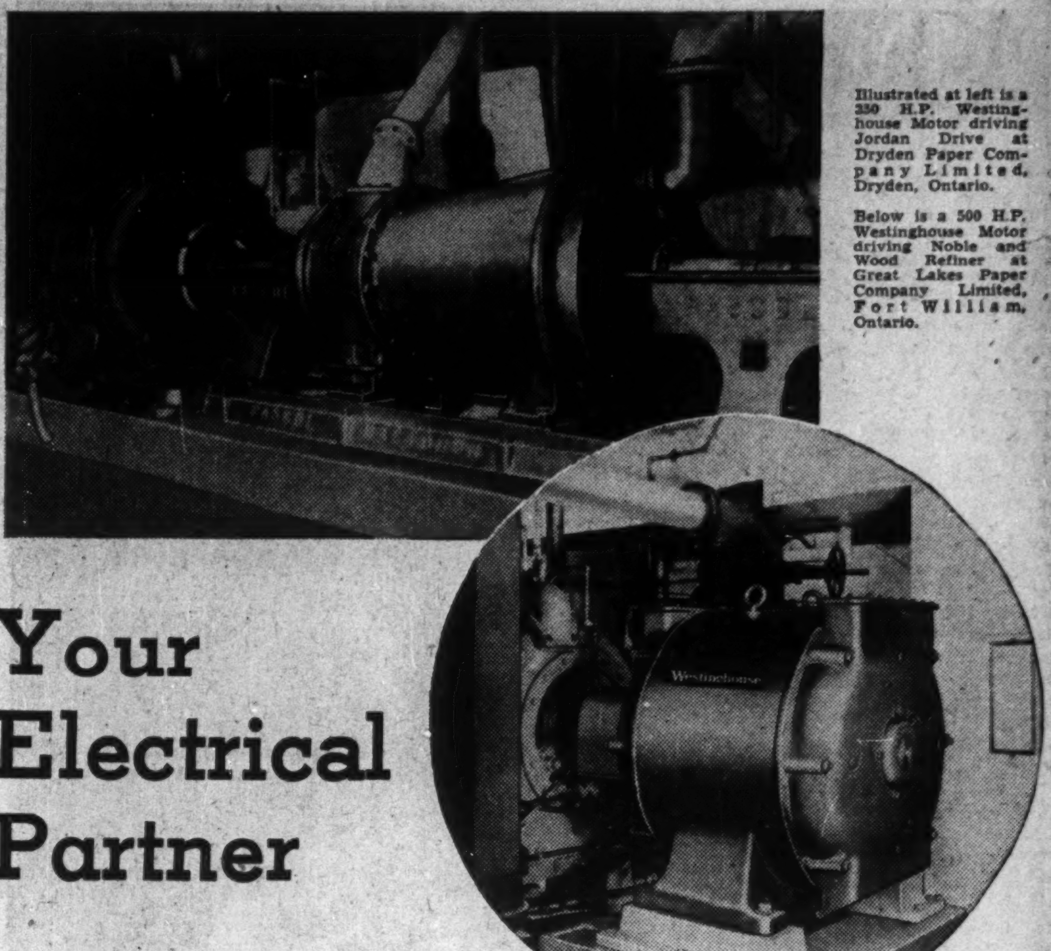
Newsprint Securities

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Abitibi Power and Paper:						
Pref. 7% cum. par $100 ...	1,000,000	Not available		36	4	7
Pref. 6% cum. par $100 ..	†34,881,800			21¼	2	4⅛
Common, n.p.v.	*1,088,117 shs.			3.37	.50	.80
*Including 67 shares deposited for exchange of shares of subsidiary companies.						
†Including 96 shares deposited for exchange of shares of Cpanish River Pulp & Paper Mills, Ltd.						
Anglo-Canadian Pulp & Paper Mills:						
Pref. 7% cum. par $100	8,000,000	Not available		....	....	....
Common, n.p.v.	135,000 shs.	Not available		....	....	....
A plan has been approved providing for conversion of 80,000 pref. shs. into 120,000 no par com. shs., converting the 135,000 shs. outstanding into 91,000 shs. and increasing capital stock to 1,500,000 no par vaue shs. by creation of an additional 1,371,000 shs.						
Canadian International Paper Ltd. (Controlled by International Paper):						
Common, par $100	10,370,500	Not available		....	....	....
Canadian International Paper (Controlled by Can. International Paper Ltd.):						
Common, par $100	*10,000,000	....	....	....	....	....
*All owned by Can. International Paper, Ltd.						
Consolidated Paper:						
Common, n.p.v.	2,532,428 shs.	....	....	9⅛	2⅝	4¾
Donnacona Paper:						
Class A, n.p.v.	253,484 shs.	0.024	0.01	10⅞	2	5½
Class B, n.p.v.	123,088 shs.			9⅛	2	4¼
Great Lakes Paper:						
Cl. A pref. n.p.v.	100,000 shs.	1.18	0.67	29¾	10½	18½
Cl. B pref., n.p.v.	100,000 shs.			....	....	....
Common, n.p.v.	100,000 shs.	*d1.63	d2.66	10⅛	2⅛	3⅞
Dividend Rate: Classes A and B pref., 75 cents paid in 1940 to date.						
*After full year's dividends on classes A and B; no account taken of arrears.						
Lake St. John Power & Paper:						
Pref. non-cum. red. par $100	1,800,000	nil	d2.44	....	....	....
Common, n.p.v.	100,000 shs.	d1.04	d1.52	28	5	13
As at Dec. 31, 1939, St. Lawrence Paper Mills held all preferred and 51,469 shs. common; St. Lawrence Corp., 24,811½ shs. common.						
Minnesota and Ontario Paper:						
Pref. cum. par $100	*2,332,667	....	....	....	....	....
Common, par $100	*4,884,633	....	....	....	....	....
*After deducting 17,033⅓ pref. shs. and 52,073⅗ common shs. acquired from Backus-Brooks Co., treated as treasury stock.						
Maclaren Power & Paper:						
Common, n.p.v.	500,000 shs.	....	....	22	8	16½
Price Brothers:						
Pref. cum. red. par $100 ..	6,284,300	†6.17	0.057	80½	36	70
Common, n.p.v.	*678,983 shs.	†0.23	d0.62	24	6½	13⅛
*Includes 131,228 shs. held against conversion of convertible debs. †For 9-months period. Dividend Rate: Pref. $5.50 per annum, $1.37½ paid on arrears in 1940 to date.						
St. Lawrence Corporation:						
Class A pref., par $50 ..	298,071 shs.	1.06	0.51	21	7	15⅛
Common, n.p.v.	579,411	d0.48	d0.77	6⅛	1⅞	3⅛
Dividend Rate: On pref. A, 80 cents per annum.						
St. Lawrence Paper Mills:						
Pref. cum. red. par $100 ..	14,225,600	0.44	0.41	52½	20	35⅝
Common, n.p.v.	514,675 shs.	d1.54	d1.55	....	....	....

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
Abitibi Power and Paper:					
First Mtge. Gold, A	5	1953	48,287,000	Not avail.	
Anglo-Canadian Pulp & Paper Mills:					
1st Mtge. Debs.	5	....	£3,061,270	Not avail.	
Canadian International Paper:					
1st Mtge. Gold	6	1949	20,215,000	0.81	0.30
Ref. Mtge. Gold, A	6	1946	‡23,400,000		
Ref. Mtge. Gold, C	5	1940	‡2,000,000		
Secured demand notes	5	....	‡3,000,000		
(Riordon Pulp & Paper)					
1st Mtge. S. F. Debs.	*6	1942	200,100	...	...
‡All owned by International Paper Co.					
*Called for redemption on Dec. 31, 1940.					
Consolidated Paper:					
1st Mtge. gold and sterling reg. deb. stk.	5½	1961	*51,406,900	0.50	nil
*Excluding $2,866,600 held by trustee for the corporation.					
Donnacona Paper:					
1st Mtge. S. F. Gold A	4½	1956	6,384,000	1.17	1.15
10-year notes	5½	1947	678,500	1.29	1.07
Great Lakes Paper:					
1st Mtge. S. F.	5	1955	6,000,000	1.99	1.56
Lake St. John Power & Paper:					
1st Mortgage	5½	1961	3,652,600	1.57	1.43
Mtge. Debs.	5	1961	3,527,500	1.00	0.75
Minnesota and Ontario Paper:					
1st Mtge. Gold A	*6	1930-45	15,400,000	0.603	nil
Do., Series B	*6	1948	4,000,000		
Do., Series C	*6	1950	5,000,000		
Gold Notes	*6	1931	3,500,000		
*In default.					
Price Brothers:					
1st Mortgage	3½	1941-43	2,000,000	2.10	1.28
Do., Sink. Fund	5	1957	*12,000,000		
2nd Mtge. conv. deb.	4	1957	†3,936,800	4.77	1.02
*In addition $790,000 held in treasury.					
†Convertible to Mar. 1, 1947, into common stock, on basis of one common share for each $30 principal amount.					


Illustrated at left is a 350 H.P. Westinghouse Motor driving Jordan Drive at Dryden Paper Company Limited, Dryden, Ontario.

Below is a 500 H.P. Westinghouse Motor driving Noble and Wood Refiner at Great Lakes Paper Company Limited, Fort William, Ontario.

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For centuries the whirring, whining saw has been symbolic of any forest industry. Pulp logs being cut into short length prior to going to the chipping machines.

Wide Gains for Newsprint

(Continued from page 19)

bondholders in stock in lieu of cash. As a result, the company issued 254,034 shares, bringing the issued common stock up to 2,567,333 shares.

Cash Interest in Prospect

As a result of this year's operations, Consolidated Paper may be able to show net working capital position of $10 millions or better. In that case, it is possible that the next interest payment will be in the form of cash, although the new excess profits tax may prove an obstacle.

Directors—L. J. Belnap, pres.; Francois Faure, vice-pres.; N. J. Dawes, W. H. Howard, G. M. Todd, R. H. McMaster, E. A. Macnutt, A. B. Purvis, C. F. Sise, Montreal; Col. H. D. L. Gordon, Toronto, Hon. Charles A. Dunning, Ottawa. **Asst. to pres.**—G. M. McKee, G. R. Whitehead. **Compt.**—George Henderson. **Sec.**—G. W. Hodgson. **Treas.**—D. L. Adams. **Asst. treas.**—J. W. Hodgson.

St. Lawrence Paper

Another operator in the same area is St. Lawrence Paper Mills, which has a 180,000 ton annual capacity plant at Three Rivers.

Operations have been on a more extensive basis this year. Preliminary estimates are that the company will show a gross income in 1940 of around $1.8 millions before depreciation. This estimate of earnings, considerably higher than the revenues reported by the company for some years past, if realized, would show the preferred dividend earned for the first time since 1930.

Last year St. Lawrence Paper Mills had sales of 103,397 tons compared with 94,490 tons in 1938, and 147,417 tons in 1937.

Net earnings from operations amounted to $840,297 compared with $466,620 the year before. Earnings per share on the preferred stock amounted to 24 cents.

Working capital has steadily undergone an improvement and at the end of last year amounted to $1.4 millions.

No dividends have been paid on the preferred stock for some years. Arrears at Jan. 15, 1940, were $53.25 a share. If earnings for 1940 come up to expectations, and there is income from the investment in Lake St. Power & Paper, it is possible that the directors may give consideration to the payment of an interim dividend.

There is no official comment on this point, but in many quarters it is believed that the company may make a small payment.

Directors — A. K. Cameron, chm.; J. I. Rankin, pres., Montreal; A. F. White, vice-pres. & man. dir., Toronto; H. C. Flood, R. W. Steele, P. H. Nitze, N. A. Timmins, Jr., A. H. Campbell, Montreal; A. J. Davis, Newmarket, Ont. **Compt. & sec.-treas.**—L. A. Tucker. **Gen. mgr.**—P. M. Fox.

St. Lawrence Corp.

St. Lawrence Paper Mills and Brompton are controlled by St. Lawrence Corp., who also has a substantial minority interest in Lake St. John Power & Paper Co.

St. Lawrence Corp.'s report for 1940 should show a sharp improvement in earnings. At this stage it is not possible to say whether or not the company will receive any income from its holdings in St. Lawrence Paper Mills or Lake St. John Power & Paper Co., but revenues from Brompton should be higher.

The company has no operating income, all of its revenues being derived from dividends on stock holdings on the three companies mentioned.

Pays on Class "A"

The position of these operating units has undergone an improvement this year, reflecting which Brompton already has paid a dividend to the parent company permitting the latter to declare a dividend of 80 cents a share, payable 20 cents quarterly, on the Class "A" stock.

Prospects of income for St. Lawrence Corp. are qualified by the fact that both St. Lawrence Paper Mills and Lake St. John Power & Paper have arrears to be paid off before any distribution may be made on the common stocks. Arrears on St. Lawrence Paper Mills preferred amounted to over $53 a share last January. On the other hand, there are no arrears on Lake St. John preferred, which is non-cumulative. At present it appears that Brompton will be the only likely source of income for the parent company in 1940, though there is the bare possibility of some revenue from Lake St. John.

One factor which rather beclouds the position of St. Lawrence Corp., and in particular its Class "A" stock, is the Excess Profits Tax imposed by the Federal Government. The pulp and paper industry generally is acknowledged to be a depressed industry, however, until a government decision is known on that point of uncertainty.

Directors — A. F. White, chm., Toronto; A. K. Cameron, pres.; J. I. Rankin, vice-pres.; H. C. Flood, R. W. Steele, A. H. Campbell, N. A. Timmins, Jr., D. H. Taylor, Montreal; H. H. Horsfall, G. R. Cottrelle, Toronto. **Compt. and treas.**—L. A. Tucker, Montreal. **Asst. to pres.**—P. M. Fox.

Can. Inter. Paper

Canadian International Paper Co., with newsprint mills at Three Rivers, Gatineau and Dalhousie, has been operating this year at an average well above that for 1939. This improvement in volume of business, together with the premium of $5 a ton on the sale of newsprint paper in the United States, assures that the revenue statement for 1940 will be one of the best published by the company in recent years.

While the principal product of the company is newsprint, it is also an important producer of sulphite pulp and this division is an important producer of rayon and sulphite pulps. For some years the company has operated two important pulp mills at Kipawa and Hawkesbury, while early last year it completed a $2 millions sulphite pulp mill at Gatineau.

The company entered a new field last year when it undertook the construction of a plant at Gatineau in co-operation with the Masonite Corp. of the United States, to manufacture Masonite products in Canada.

Higher Sales in 1939

Last year the company reported sales of $38.4 millions, an increase of around $7 millions over the previous year. After providing for senior charges, including an increase in the depreciation and depletion reserve, there was a net loss for the year of $825,703, which in turn was an improvement of about $2.3 millions over 1938. On the other hand, the net working capital position advanced $3 millions in 1939 to $17.8 millions.

The actual cash outgo last year was covered by a comfortable margin, with the result that there was a further strengthening in the balance sheet position. The funded debt at the end of the year amounted to $58.3 millions, of which $37.9 millions was held by International Paper Co. In the hands of the public were $200,100 of Riordon Pulp and Paper debentures and $20.2 millions of the company's own first mortgage bonds.

Since the close of the year the company has called for redemption the balance of the outstanding Riordon bonds, which eliminates all the underlying debt except that of the New Brunswick International Paper Co.'s bonds which are all owned by International Paper Co. The latter controls Canadian International Paper.

Quebec is the manufacturing centre for three other newsprint companies, two of which are located at or near Quebec City.

Directors—J. H. Hinman, pres.; S. L. de Carteret, vice-pres. and gen. mgr.; Brig. Gen. J. B. White, vice-pres., Montreal; W. N. Hurlbut, New York, vice-pres.; R. C. Doane, vice-pres.; H. R. Weaver, vice-pres. & treas.; R. J. Cullen, J. H. Phipps, J. F. Rollins, A. H. Wiggin, New York; Hon. Raoul Dandurand, J. A. Eccles, L. P. Gelinas, G. H. Montgomery, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; T. A. Russell, Toronto; H. P. Robinson, Saint John, N.B.; Chenier Picard, Sherbrooke, Que. **Vice-Pres.**—E. L. Crooker, F. G. Robinson, C. B. Thorne. **Sec.**—Roy Campbell.

Anglo-Canadian Paper

Anglo-Canadian Pulp & Paper Mills, just outside of Quebec City, is one of the more important newsprint producers with a productive capacity of between 550 and 600 tons daily.

Output of the mill is marketed with the Hearst group in the United States and with the Rothermere papers in England. In respect to the latter, wartime conditions have reduced requirements, but the demand from other sources has been more than a compensating factor.

Operations of the company so far this year have been more productive than in 1939. The present outlook is that the revenue statement will show higher earnings than in 1939.

Reorganize This Year

Earning power of practically all the newsprint operators has been subject to wide fluctuations in recent years and Anglo-Canadian has not escaped that condition. It has been necessary for the controlling interests in England to advance funds to the company from time to time to cover interest on the debentures, all of which are held by Daily Mirror Newspapers Ltd. of London. It has not been possible to pay dividends on the preferred stock since the early part of 1930. This year steps were taken to effect a capital reorganization.

A plan was formulated and put into effect about mid-year, providing for the authorization of 1.5 million no par value common shares, of which 1,050,000 were allotted for existing securities, leaving 450,000 unissued.

There is no Canadian investment interest in this enterprise, all the stock being held by interests closely associated with Lord Rothermere.

Directors—John Cowley, pres.; London, Eng.; F. W. Clarke, vice-pres.; G. H. Bridge, sec.-treas.; R. A. McInnis, W. J. Clarke, Sir Charles Fitzpatrick, Quebec; Sir Herbert Holt, R. C. McMichael, F. G. Bush, Montreal; E. A. Sursham, Hon. Esmond Harmsworth, London, Eng.; F. J. Humphrey, New York.

Donnacona Paper

The second operator in the Quebec City area is Donnacona Paper Co., which, while primarily a newsprint producer, also manufactures for sale an important volume of sulphite pulp and insulating board.

Substantial expansion in earnings of the company for the like period of last year is reported by President R. P. Kernan. While business in the first quarter had been unsatisfactory, the second quarter pushed the trend farther upward and currently the plant is operating at capacity.

High Gross Income

An improvement in business last year raised operating profit to $766,054. This was the largest revenue reported by the company since 1929 and compares with $501,700 in 1938. Net profit in 1939 was only $8,986 and this is explained by the fact that the company increased the reserve for depreciation and depletion to $419,849 as against $165,425 the year before.

It is considered quite possible that working capital will show a further healthy increase in 1940 and that the Hearst indebtedness will be reduced, but it is to be noted that under the by-laws no dividends may be paid by the company which would reduce working capital below $1 million.

James Maclaren

James Maclaren Co., a wholly owned subsidiary of Maclaren Power & Paper Co., operates a modern newsprint mill in the Ottawa Valley region of Quebec.

Both operations and revenues for the current year are substantially better than a year ago. Expectations are that returns for the full year will be well ahead of those for 1939.

In addition to its newsprint operations, Maclaren is an important lumber operator. Since the commencement of the war there has been an increase in the demand for lumber and, with higher prices prevailing, it is assumed that revenues from this source will add materially to the company's income this year.

The earnings from the newsprint and lumbering operations are consolidated with those of the parent company, Maclaren Power & Paper Co., which also has a controlling interest in the Maclaren-Quebec Power Co. There is no breakdown of income, but indications are that net operating revenues of the newsprint and lumbering division in 1939 amounted to just short of $600,000, as against about $285,000 the year before.

The consolidated income of the parent company in 1939 amounted to $1.7 million, an increase of $500,000 over the previous year. In view of the larger revenues of the power company and the improvement in business for the newsprint and lumber divisions, the indications are that the income statement for 1940 will be the best in the company's history.

Directors—J. A. Bryant, sec.; J. T. Black, treas.; R. M. Kenny, T. F. Kenny, C. H. Maclaren, J. R. Maclaren, J. N. Copping, C. R. Morrison, Buckingham, Que.

Ontario Paper

One of the latest additions to the newsprint mills in Quebec is the Baie Comeau unit of the Quebec North Shore Paper Co. This is a wholly owned subsidiary of the Ontario Paper Co., both of which are non-commercial operators, engaged exclusively in supplying newsprint to their publisher owners, the Chicago Tribune and the New York Daily News.

All of the output of the Baie Comeau unit goes to the New York Daily News, while that of the Thorold plant of the Ontario Paper Co. is allocated to the Chicago Tribune.

Both mills are and have been operating at capacity. However, the supply made available is not sufficient to completely cover the requirements of their publisher owners who have had to buy a considerable quantity of newsprint in the open market.

In 1939 the two mills operated by the Ontario Paper Co. produced 274,261 tons of newsprint paper as against 233,933 tons the year before.

Abitibi Power & Paper

Abitibi Power and Paper Co., one of the largest newsprint producers in Canada, has been operating under receivership since Sept. 10, 1932, following failure to meet bond interest payment due June 1 of that year. G. T. Clarkson, Toronto, is receiver and manager, and R. S. McPherson, Toronto, liquidator.

Following unsuccessful attempts to reorganize the company in 1937, efforts were renewed early in 1939. In March last year the Bondholders' Protective Committee announced its intention of seeking a judicial sale of the property as a method of reorganization.

This sale has been authorized by the Supreme Court of Ontario to be held next Oct. 16. Action was taken at the request of the Bondholders' Protective Committee, of which H. J. Symington, Montreal, is chairman.

Continual protests have been made by representatives of shareholder interests, led by the Preferred Shareholders' Protective Committee, of which D. H. Gibson, Toronto, is chairman. Another committee, under the chairmanship of R. G. Meech, Toronto, operates for Common Stockholders, while general trade creditors are represented by a committee under the chairmanship of Clement Tremblay, Lachute Mills, Que.

Bondholders Proposals

The judicial sale is a feature of the plan of procedure advocated by the Bondholders' Protective Committee and dated March 15, 1939. Under this plan, bondholders propose to purchase the assets of the company through a new company and deliver to bondholders "certificates of beneficial interest" for common shares in the new company. The shares of the new company issued to assenting bondholders will be put in escrow until July 1, 1942, and an option granted to the unsecured creditors and shareholders to purchase the stock during this period at fixed prices. The new company would have an authorized capital of 1,930,680 no par value common shares and may issue additional shares or other securities that may be required to raise cash requirements.

Following transfer to the new company, it is proposed to issue common shares to an escrow agent at the rate of 40 shares for each $1,000 of assenting bonds. The agent will in turn issue to the committee for the account of assenting bondholders certificates of beneficial interest representing such shares. These certificates will be delivered to the bondholders themselves.

Non-Depositors

Bondholders who do not deposit their bonds under the committee's scheme would receive their proportionate share of the cash price, less a share of expenses.

Completion of the options to purchase shares to be given to present shareholders and creditors would result in realizing sufficient money to satisfy bondholders' claims for interest and principal in full.

When the date for accepting deposits of bonds under the Bondholders' Committee plan expired on Sept. 14, it was understood that this committee held well over 60% of the outstanding bonds which it planned to use in purchasing the company.

Numerous individuals and organizations have appealed for more generous treatment on behalf of shareholders.

Abitibi's operations have shown remarkable increases over the past year. For the first eight months of 1940 monthly earnings of $5.2 millions, the amount available for depreciation and bond interest, compares with $1.5 million in the corresponding period of 1939 and represents an increase of 256.18%. For all of 1939 the company had $3.4 millions available for depreciation and bond interest.

Working capital has improved steadily each year since the company went into bankruptcy in 1932. At the end of 1939 net working capital amounted to $10.8 millions, and it is estimated that at the end of this year it will be $18 millions, of which $8 millions will be in cash.

Abitibi and its subsidiaries control eight newsprint mills and a bleached sulphite mill. Two of its newsprint mills are not operating but the efficient mills have an annual capacity of 558,000 tons of newsprint annually. The bleached sulphite mill has a calculated capacity of 60,000 tons annually but this has been exceeded in some recent months. In addition, Abitibi controls Provincial Paper Co., a leading producer of fine papers in Canada, through ownership of all its common stock, and its power plants have a developed capacity of 182,073 h.p. and an additional 400,000 h.p. undeveloped.

Directors—G. H. Mead, chm., Dayton, Ohio; Alexander Smith, pres., Chicago, Ill.; W. A. Black, vice-pres., Montreal; L. R. Wilson, vice-pres. & man. dir.; W. H. Smith, asst. man. dir.; S. F. Duncan, Toronto; W. H. Carter, Winnipeg. **Sec.**—T. Broadhurst. **Asst. sec.**—L. B. Popham. **Treas.**—Howard Young. **Asst. treas.** D. J. Cormack.

Receiver and Manager—G. T. Clarkson, Toronto.

Liquidator—R. S. McPherson, Toronto.

Great Lakes Paper

Great Lakes Paper Co. owns a modern newsprint mill at Fort William. Its two newsprint machines have a daily capacity of 260 tons and an annual capacity of about 113,100 tons. The plant includes a groundwood pulp mill with a daily capacity of 350 tons, a sulphite pulp mill with a daily capacity of 125 tons, and a steam generating power plant and an electric substation. Changes made in equipment this year will increase surplus capacity of unbleached sulphite from 15,000 tons to about 24,000 tons annually.

The company has contracts with a group of publishers for a minimum of 67,500 tons of newsprint each year until Dec. 31, 1945, with a five-year renewal clause. Another contract for a minimum of 20,000 tons on practically the same terms was signed late in 1938.

Because of its peculiar contract arrangements with its publisher-shareholders, Great Lakes Paper Co. has been at various times in controversy with the Ontario Government over its refusal to comply with prorating regulations.

Business Well Ahead

Business to date has been substantially above last year. Continuation of present rate of gain is anticipated and may mean that profits for the full year, after tax provision, will be at least 100% above the 1939 level. In 1939 Great Lakes Paper earned $1.18 a share on its A and B preferred stocks compared with 67 cents in 1938.

An initial dividend of $1 a share was paid on the A and B preference on Dec. 30 last. Quarterly dividends of 25 cents a share have been made since, the Oct. 1 payment leaving arrears of $8.25 a share.

Working capital has improved steadily and the company was able to subscribe to $500,000 of the second war loan. Bond interest was earned 1.99 times after depreciation in 1939.

Directors—Hon. W. Earl Rowe, pres.; A. D. Cobban, vice-pres.; R. G. Meech, C. B. Shields, W. J. Palmer, Toronto; Senator Norman M. Paterson, Fort William; L. E. Aldrich*, Chicago; Ray Lawson, London, Ont.; W. W. Boyer*, Milwaukee, Wis. **Sec.-treas. and asst. to pres.**—Charles England. **Asst. treas.**—F. K. Carlisle.

*Representing the publishers.

Spruce Falls Power & Paper

Spruce Falls Power & Paper Co. is controlled by the Kimberley-Clark Corp. and the New York Times Co. Kimberley-Clark has a contract with Spruce Falls extending beyond 1945 to purchase the entire surplus output of sulphite and the New York Times contracted to purchase from the company its standard newsprint requirements which, based on recent consumption, is about 50% of mill capacity.

In 1938, out of total sales of $7.5 millions, the New York Times took $4.2 millions. The company's mill at Kapuskasing, Ont., has a daily capacity of 550 tons of newsprint, 440 tons of groundwood pulp and 230 tons of sulphite pulp.

A former issue of $8 millions of bonds was refunded privately in 1937 by means of a bank loan, thus eliminating public interest in the company. The bank loan has since then been reduced by approximately one half.

M. & O. Paper

Minnesota and Ontario Paper Co. is at present undergoing a reorganization under U. S. Corporate Bankruptcy Law following interest default in 1931. The company has extensive production of newsprint, kraft, lumber and other products at plants in Canada and the United States. It also has a subsidiary in Finland.

Bondholders Exchange

Under the reorganization plan which is nearing completion, holders of the 6% first mortgage bonds would receive $400 principal amount of new 4% first mortgage income bonds and 40 shares of common stock for each $1,000 of bonds held. In addition, there would be a cash settlement to equalize the interest arrears on the three series of bonds.

Holders of the 6% gold notes would receive 30 shares of new common and $7.50 in cash for each $1,000 principal held. Holders of other unsecured debts would receive three shares of new common for each $100 of debt. There would be no distribution to shareholders.

Sales and earnings have shown sharp increases in the first half of 1940 with net earnings before interest equivalent to $1.1 million this year compared with $244,683 last year.

Trustees—C. T. Jaffray, S. M. Archer, Minneapolis; R. H. M. Robinson, New York. **Bondholders' Protective Committee**—F. K. Schrader, chm.; A. D. Cobban, C. S. Garland, F. M. Gordon, R. P. Matthiessen, W. A. Smart, R. S. Waldie, H. D. Thrall. **Sec.**—H. R. Mosser, 209 S. La Salle St., Chicago.

Pulpwood is Major Forestry Product

Pulpwood and not lumber is the most important product of the forest industries in Canada. According to the latest returns of the Dominion Government the annual value of forest production amounts to $148.2 millions. Of this figure pulpwood accounted for $53.7 millions; logs and bolts, $52.7 millions and firewood, $32.7 millions.

"... and although it had passed through the mails and many hands ... had been filed and refiled ... this letter came to the president's office at the crucial moment to present its case with that dignity, weight and distinction which are the inherent qualities of the superfine paper ..."

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MONTREAL

Kraft Sales at High Level

Sharp Improvement In Demand Keeps All Mills Busy

Manufacture of kraft paper, one of the major divisions of the pulp and paper industry, has undergone a marked betterment over the past 12 months. War conditions naturally have made for many changes, not the least of which has been a sharp increase in demand for kraft paper, largely used for wrapping purposes, kraft liner and other products manufactured from sulphate pulp.

Strong Market Demand

During the current year the majority, if not all of the plants in Canada producing kraft paper, have been operating at or near capacity. There has been no let-down in sales and indications are that this condition will prevail for some time to come.

One factor affecting the Canadian mills has been the lessening of competition from American sources.

With the improvement in the U. S. domestic picture and the cutting down of sulphate pulp imports from Europe, American producers have been confining their efforts to the domestic market. An indirect result has been a considerable strengthening in the Canadian market situation.

Bigger Export Trade

Another contributing factor for the better Canadian situation is the heavy increase in export sales. Normally the Canadian mills carry on a small kraft export business, with about two thirds of overseas shipments finding their way to England and the balance to South Africa, the Orient and elsewhere. Last year, for example, shipments of kraft paper were worth $1,252,000 as against $1,276,000 the year before.

For the present year it is not only possible, but likely, that kraft paper exports wil reach record proportions, at least as far as the past decade is concerned. Some idea of the expansion of this trade may be gained from the July trade returns, which show the value of kraft paper exports at $435,000, or roughly one third of that reported for the whole of 1939.

The gain has been due largely to the increased demand from British South Africa. While sales to England are still fairly substantial, the South African market has come ahead rapidly and is now the most important outlet for Canadian kraft.

With the improvement in sales on both domestic and export account and the higher prices prevailing for sulphate pulp, price advances have been general on kraft paper products. In the light of this, earnings of the operators have undergone a marked improvement and net income for the current year is likely to be the best in some time.

Bathurst

Canadian kraft paper plants are concentrated in the eastern area. The Maritimes boast of the Bathurst Power & Paper Co., whose large plant at Bathurst, N.B., is one of the more important producers in the Dominion. This company manufactures kraft liner board and folding box boards. In addition it has a newsprint capacity of some 70 tons a day.

During recent years Bathurst has spent around $2 millions on plant improvements. This has resulted in increased capacity and lowering of operating costs.

Sets New Record

Volume of business handled by the company for the first half of 1940 was the greatest in the company's history. Prospects for the balance of the year indicate a continuation on a satisfactory basis.

Earnings to the end of last June, after depreciation and depletion, but before income taxes and subject to audit and year-end adjustments, are estimated to be $506,295, as against a deficit of $90,525 for the like period of 1939.

Net current assets at June 30 last were $2,625,000, of which $600,000 was cash, marketable securities and call loans.

Drop Last Year

Last year earnings dropped to $81,197, as against $153,042 in 1938. This was due to a lower average price level for the company's products, with the exception of newsprint, which more than offset the substantial reductions made in manufacturing costs as a result of the capital improvement programme undertaken by the company.

On the basis of returns for the first half of the year, indications are that the financial returns for 1940 will be the best in a long time and that share earnings will be higher, even allowing for the increased taxation.

Directors—R. L. Weldon, pres.; H. J. Webb, vice-pres. & sec.-treas.; P. A. Thomson, vice-pres.; Joseph Simard, F. J. Campbell, A. J. Nesbitt, J. B. Woodyatt, Montreal; H. P. Robinson, Saint John, N.B.; R. G. Ivey, London, Ont.

Asst. treas.—G. A. Schryer, F. D. Lamont.

Wayagamack

Quebec boasts two kraft plants, one operated by the Wayagamack Division of Consolidated Paper Corp. and the other by Brompton Pulp & Paper Co. Wayagamack, which has been in operation for 30 years, produces both newsprint and kraft pulp and paper, the latter branch being the more important. Capacity of the unit is 130 tons daily of both kraft pulp and paper.

Consolidated Paper does not publish particulars of operations or income from its operations regarding Wayagamack. However, it is understood that this unit's returns have shaped up well. Particulars in respect to the present company are covered in detail in the newsprint section.

Brompton

Brompton Pulp & Paper Co., a wholly owned subsidiary of St. Lawrence Corp., is not unlike Wayagamack in that there is no direct public interest in the enterprise while its principal source of revenue comes from kraft papers and newsprint.

The company is in a strong financial position and its earning power over a period of years has been well established. The entire output of newsprint is sold under a 5-year contract to International Paper Co., while the kraft production is marketed direct. Last year the company reported a net profit of $347,947, equivalent to $1.16 a share. This contrasted with $119,232 and share earnings of 40 cents the year before.

Currently the company is doing well and income for 1940 should be higher. Not all of the improvement in earning power will be reflected in the share earnings, as the company, in common with other operators, will be called upon to pay considerably heavier taxes.

Directors — Arthur F. White, pres., Toronto; R. W. Steele, vice-pres.; J. I. Rankin, R. O. Sweezey, N. A. Timmins, Jr., Montreal; F. C. Baker, Lennoxville, P.Q.; S. R. Newton, D. J. Salls, Sherbrooke, P.Q.

Compt. & sec.-treas.—L. A. Tucker. **Gen. mgr.**—P. H. Scowen.

Dryden

Both operations and earnings of Dryden Paper Co., operating one of the largest kraft paper plants at Dryden, Ont., have been considerably better during the current year. Capacity operations have been the rule and, with higher prices prevailing, dollar revenue of the company up to September was well in excess of that for the same period last year.

The outcome of operations for the balance of the year are difficult to evaluate. The company has an annual capacity of about 25,000 tons of sulphate pulp, of which 15,000 tons are manufactured into finished products and the balance sold in the United States. There is no reason for expecting any falling off in demand for pulp from the States, but sales of kraft paper products (nearly all of which are in western Ontario) may be affected, depending upon the manner in which the Dominion Government arranges for the financing of the wheat crop.

Directors—F. A. Sabbaton, pres.; J. S. Wilson, vice-pres.; E. S. Pincott, sec.; George Chahoon, P. A. Thomson, J. R. S. McLernon, Dan McLachlan, J. B. Woodyatt, E. R. Parkins, Montreal.

Treas.—H Humphreys.

Kraft Companies

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Bathurst Power & Paper:						
Class A, com., n.p.v.	400,000 shs.	0.20	0.38	15⅞	4¾	11¾
Class B, com., n.p.v.	300,000 shs.	d2.40	d2.16	5⅛	1¾	3
Dividend Rate: 50 cents paid in 1940 to date.						
Brompton Pulp & Paper:						
Common, n.p.v.	*300,000 shs.	1.16	0.40	....	....	....
*Exchangeable share-for-share for class A stock of St. Lawrence Corp., which held 298,071 shs. at Dec. 31, 1939.						
Dividend Rate: 20 cents each paid April and July, 1940.						
Dryden Paper:						
Common, n.p.v.	150,000 shs.	nil	d0.01	13	3	6

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
Dryden Paper:					
1st Mtge. S. F. Gold	6	1949	1,234,000	1.00	0.98

More Readers For Newspapers

Though the number of daily newspapers published in the United States has declined in the last two decades, Canadian newsprint manufacturers have been more interested in the trend of circulation. Despite the development of other news distributing agencies and a decline of 156 in the number of papers, newspaper circulation in the States has increased nearly 50%.

The change in the U. S. publishing picture since 1920 is set out in the table below:

U. S. Newspaper Circulation

	No.	Circulation
1939	1,888	39,670,682
1938	1,936	39,571,839
1937	1,993	41,418,730
1936	1,989	40,292,266
1935	1,950	38,155,340
1933	1,911	35,175,238
1929	1,944	39,425,615
1925	2,008	33,739,369
1920	2,042	27,790,656

Pulp & Paper Value Nears $200 Millions

Considering only the manufacturing aspect of the industry or the manufacture of woodpulp and paper, the gross value of production in 1938, the last year for which complete returns are available — was $183.9 millions. This represents a decrease of 18.7% from the record 1937 year but an increase of 49% over 1933 when production reached its lowest level in the last 10 years, according to the Bureau of Statistics.

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Canada Supplies 68% U. S. Market

Canada's proportion of the world's biggest newsprint market—the United States—amounted to 68% in the first seven months of 1940. This is one of the best showings ever made by the Dominion. The gain over last year's figure of 62% has been made at the expense, principally, of European producers who have had difficulty in maintaining regular supplies.

The source of U. S. newsprint supplies is shown in the following table:

Source of U. S. Supply
(Percentage Division)

	Canada	Nfld.	U. S.	Europe
1940* ...	68	4	27	1
1939	62	3	26	9
1938	63	2	27	8
1937	68	3	22	7
1936	66	3	25	6
1935	62	4	28	6
1934	62	4	30	4
1929	57	4	36	3
1926	47	3	47	3
1913	15	..	85	..

*To end of July.

U. S. Paper Mills Record Increased Operations

From Our Own Correspondent

MONTREAL.—Rate of production in the United States paper industry, not including paperboard, according to the American Paper and Pulp Association's index of paper mill activity, was 84% for the week ended Sept. 14. This contrasts with a revised figure of 71.2% for the previous week and 91.8% in the week ended Sept. 16, 1939.

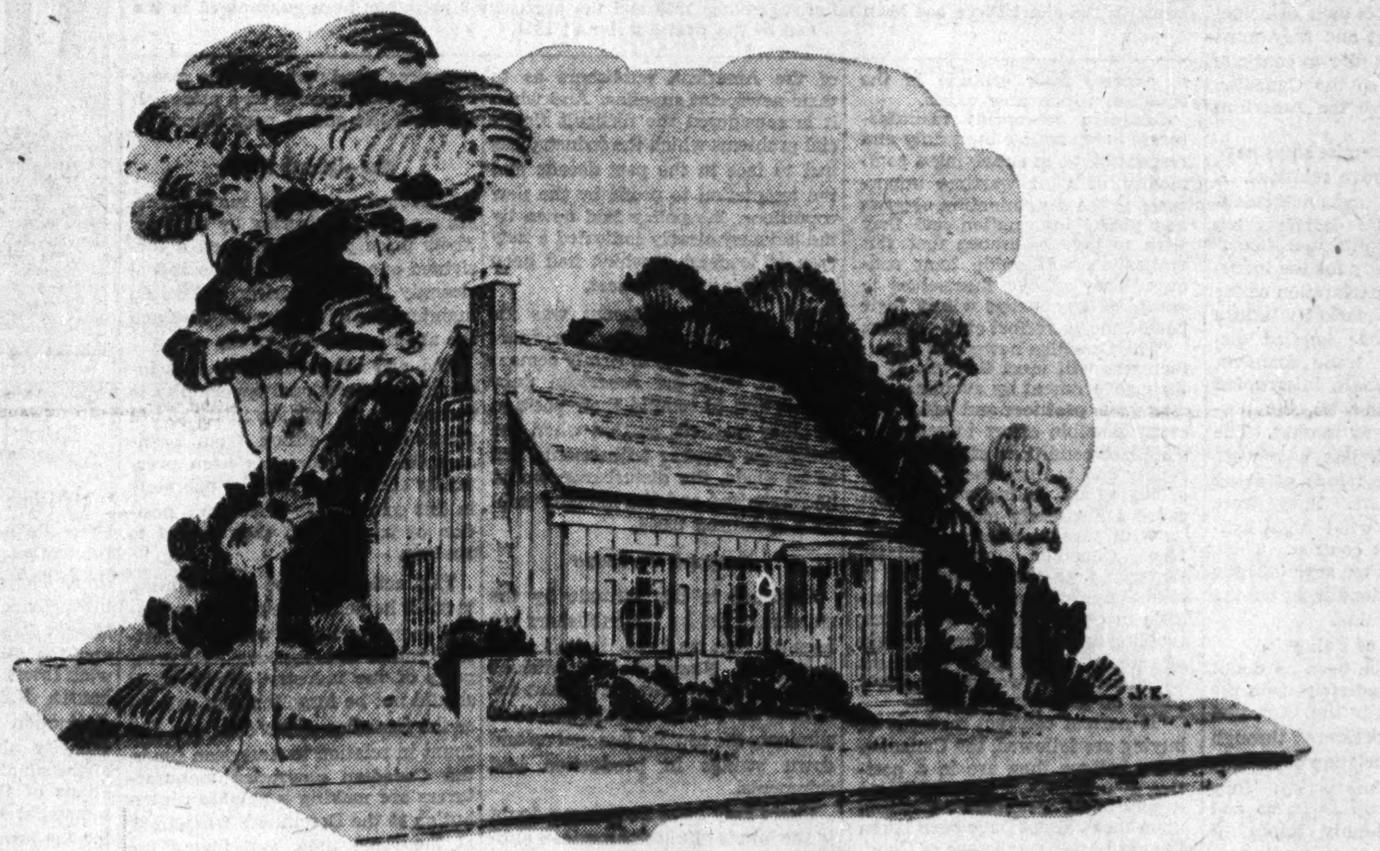
Toronto Star Leads

Toronto Star (daily and weekly editions) uses more newsprint paper than any other daily publication in Canada. The Telegram of the same city ranks second as a newsprint consumer.

$49 Millions of Materials

Materials and supplies used in the manufacture of Canadian pulp have a value of $49 millions a year, while the value of output is close to $90 millions.

THE PULP AND PAPER INDUSTRY PLAYS ITS PART IN DEVELOPING LOW COST HOMES



. . . a LOW-COST Home designed for MODERN living

Presenting a new and distinctly different type of home construction.

Planned in accordance with National Housing Act specifications and built to Government standards under the supervision of the Housing Administration . . . the low cost MASONITE TEN-TEST Demonstration Home pictured above was inspected by many thousands of visitors to this year's Canadian National Exhibition. It's a new thought in building construction that materially reduces the number of erection hours and cuts costs. Further, it sets a new standard of home value, modern style and built-in comfort.

Masonite Tempered Presdwood—the all-wood product that is moisture resistant, extremely durable and defies atmospheric conditions, is used for the exterior.

The sturdy ⅛" thick Tempered Presdwood panels are laminated to sheets of ½" TEN-TEST Insulating Building Board, thus producing the desirable combination of strength, durability and serviceability for exterior use plus the time-tested insulating value of TEN-TEST.

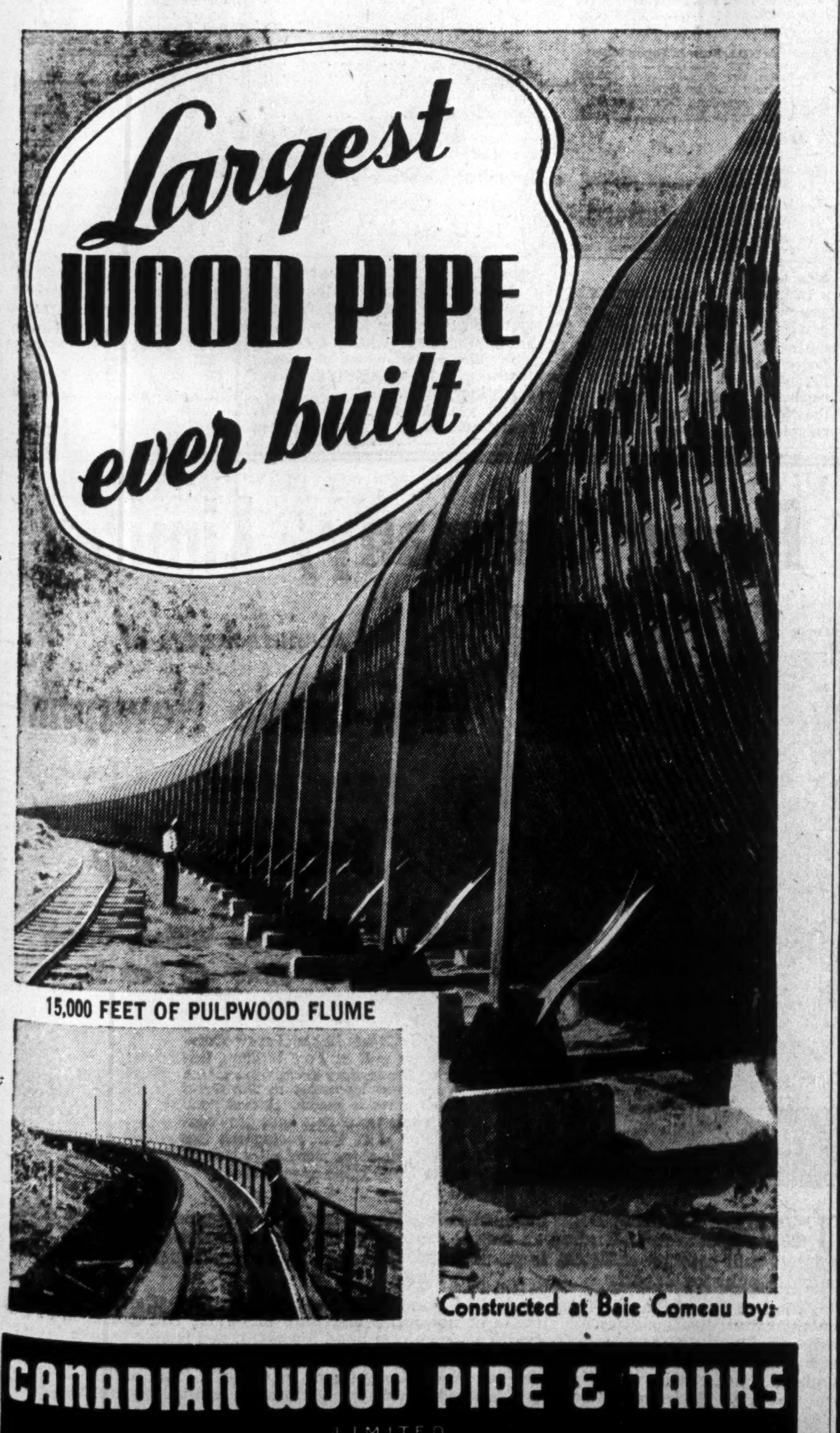
The joint use of these two dependable materials assures added structural strength to the building, offers efficient insulation and provides a pleasing exterior finish that will successfully withstand all weathers.

A NEW TYPE OF SHEATHING

These 4-foot wide laminated panels are applied to studding on 16" centres. A space of ⅛" between panels allows for the insertion of a caulking compound hermetically sealing the joint and preventing infiltration. The exterior joints are covered with 2" x ½" ornamental wooden batten strips. Similar strips are applied vertically at 16" intervals to simulate narrow panels. Advantages of this method of home construction include low cost, flexibility of treatment, timeworthiness and economy. Important factors no prospective home-owner can afford to ignore.

For interior finish Masonite Presdwood, Quartrboard and Temprtile meet every need for ultra modern decorative treatment in every room. TEN-TEST V-Notch Insulating Plaster Base builds strength and comfort into the home. With its tongue and groove joint it fits snugly together. Its surface holds the plaster firm and secure, and the patented V-Notch gives extra bonding strength and assures crack-free walls and ceilings. The complete story of the MASONITE TEN-TEST Low-Cost Demonstration Home is featured in an attractive folder. Name of your local dealer and copy of folder sent free on request.

INTERNATIONAL FIBRE BOARD LIMITED, GATINEAU, QUEBEC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Building For The Future

Closer Understanding With Consumer Created by Producers

In the early part of July a number of Canadian newsprint manufacturers asked their American customer-publishers whether they would care to help Canada by dealing with rumors which had done much to damage the summer tourist trade and thus handicapping Canadian war finance.

This was an unusual request, particularly so considering the past relations between the American publishers and the newsprint operators in this country.

The request was made with some diffidence. There was no need for this as the publishers responded magnificently with editorials, feature stories, and in many other ways gave very practical help in furthering Canada's tourist trade.

Change in Attitude

This evidence of friendship for Canada made a deep impression on the newsprint manufacturers. It was not only a valuable contribution to the country's war effort, but was evidence of the new change in the attitude between the publishers and the manufacturers, an attitude that in the past was not at all too friendly.

The United States annually buys over 80% of the total Canadian newsprint production. The maintenance of friendly relations with the publisher-buyers in that country, therefore, has always been of paramount importance to the industry.

Unfortunately such relations in past years have not been all that they might have been. There has been considerable antagonism shown on both sides. At times relations were strained to the utmost.

Strive to Better Relations

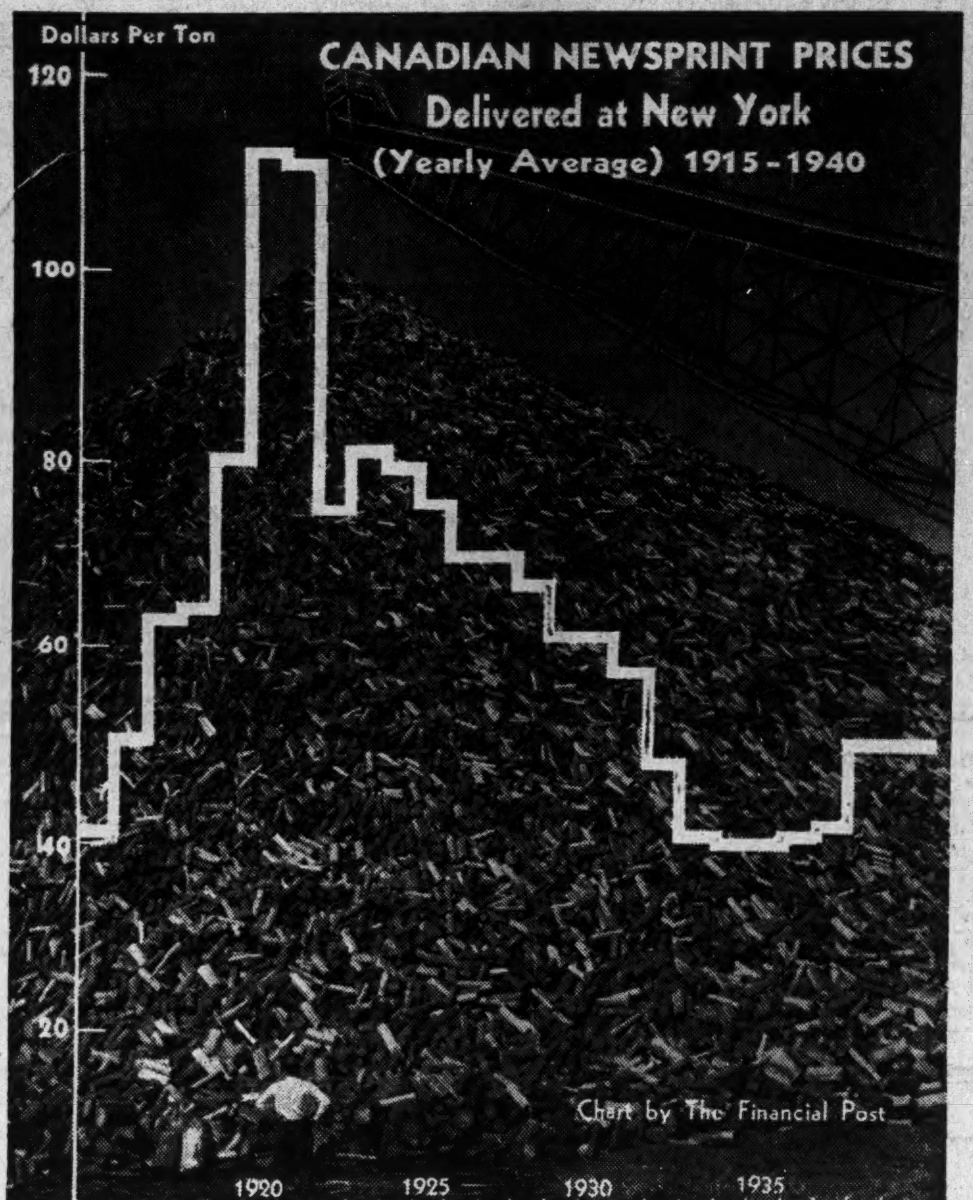
All this did the Canadian industry no good. In the past few years, however, a determined effort has been made on both sides to bring about better relations. U. S. publishers realize that Canada is their principal source of newsprint and they must have this paper in order to continue business. Equally so the Canadian operators must have the American business.

From this basic premise steps have been taken to improve relations. A better appreciation and understanding of each other's problems has cleared away many misconceptions.

The big opportunity for the industry came with the declaration of the war. Last fall the market was in a jittery state. A war implied disruption of regular trade channels, rising cost of materials, interrupted deliveries and, above all, the possibility of a run-away market. The experiences of the last war were still vividly in the minds of many American publishers. They were apprehensive as to what might happen in the current conflict. Then, too, some were not too sure that the new showing of friendliness by the operators was genuine.

Statement of Policy

There should have been no doubt on that point. Immediately upon the outbreak of the war the Canadian newsprint manufacturers through the Newsprint Association of Canada laid down a wartime policy. They were the first group to do so and because of the highly important principle involved—fair trading as between producer and consumer—the manifesto is republished in full:



In striking contrast to the first Great War newsprint prices have been stabilized so far in this conflict. As shown in the chart there has been no change since 1938 and the present $50 price has been guaranteed to the end of the first quarter in 1941.

> "Having in mind the extreme conditions of newsprint supply and demand which developed during the last world war, Canadian newsprint manufacturers have asked that this statement be issued to express their attitude in the situation which now exists.
>
> "Canadian newsprint manufacturers today realize their duty and responsibility in supplying a commodity of vital wartime importance in the dissemination of news and public information and they wish to give assurance that this realization will guide their conduct. They pledge themselves to assist, by any means within their power, the war effort of the nation.
>
> "The Canadian newsprint manufacturers will meet the wishes of their government by avoiding any attempt to profiteer and will make every possible effort to maintain stabilized conditions of continuous supply and to discourage methods of buying and selling which might cause a disorderly market.
>
> "With these purposes in mind, the Canadian manufacturers strongly urge their customers to take their shipments as far as possible in equal monthly quantities, avoiding unnecessary accumulation of stocks and spot purchases which inevitably would tend to bid prices up and cause disorder.
>
> "If normal contract methods of buying are followed, the Canadian mills believe they are in a position to assure continuous adequate supply to all customers depending upon them. Steps have been taken to guard against sabotage of Canadian plants and equipment and there is no reason to fear that Canadian production facilities cannot be fully maintained."

Magnificent Gesture

This was a magnificent gesture of friendliness and co-operation, designed, as it was, to allay the fears of the American publishers as to their newsprint supplies. And when it is considered the difficult financial problems which the industry has had to face in the past decade and the temptation to profit by the new conditions, the policy laid down by the industry clearly indicated a new type of leadership which had been sadly lacking in the past.

The industry statement was inspired not only by the desire to "play the game," but also to firmly cement relations with the American publishers and to rebuild their position in other markets, so that when the inevitable postwar adjustments had to be made, the disturbance would be minimized and the industry kept on a stabilized basis.

Respond to Move

Response to this attitude by the manufacturers by the publishers has been all that could be desired. The American Newspaper Publishers Association has co-operated and deliveries have been equalized so as to eliminate the usually seasonal up and down swings in production and shipments.

There may have been some doubt in the minds of a few American publishers as to the sincerity of this policy. If that were the case it was dispelled when the manufacturers announced that the price prevailing before the war would be continued throughout 1940 and into the first quarter of 1941.

Stability of Price

This means that the price of newsprint has been stabilized at the base price of $50 a ton for 39 months in all. It is one of the longest periods of an unchanged schedule in the history of the industry. It is a different story from that written during the last war.

The fact that the price remains constant until the end of the first quarter of 1941 should convince the publishers of the friendly and constructive attitude of the operators toward the publishers.

Follow Moderate Policy

The moderateness of the policy laid down by the manufacturers is well illustrated by the following index prepared by the Newsprint Association of Canada, setting out the relationship between the newsprint price index and the general commodity index:

U. S. Price Index—Yearly Average
1932 = 100

	Canadian Newsprint at New York	General Commodity Index*
1933	85	102
1934	83	116
1935	83	123
1936	85	125
1937	88	133
1938	103	121
1939	103	119
1940†	103	119

† Most recent. * Dept. of Labor.

A Courageous Policy

The manufacturers' policy of maintaining a pre-war price after 12 months of war conditions is a highly courageous one. Costs have been advancing for the producers. This applies not only to material supplies, but also to taxation and labor. As far as the Canadian manufacturers are concerned, this advance has been covered in part by the premium realized on the sale of newsprint in the United States. In effect the operator has been securing $55 in Canadian funds on each ton of paper sold in the States.

Added to this is the increased scale of operations which has tended to reduce fixed charges per ton produced. This has helped to absorb rising costs and permitted the manufacturer to determine on a price policy until the end of next March.

Far-sighted Policy

Canadian newsprint manufacturers are not profiteering by the war. Their price policy has been a far-sighted one. It is designed to appeal strongly to the American publisher; maintenance of regular supplies and the absence of profiteering.

The war offers the Canadian industry an exceptional opportunity to consolidate its position in the world markets. Competition from Scandinavian producers has been practically eliminated, and the operators in this country are placed in a position of trust which they intend to observe.

This action may be disappointing to some holders of newsprint securities, more concerned with the short-term rather than the long-term prospects of the industry. However, it should not be forgotten that as long as the Canadian dollar sells at a discount in relation to American funds, the Canadian newsprint manufacturers are making a notable contribution to the Dominion's war effort, at the same time, and laying the foundation for a greater degree of permanent prosperity than has been the case in the past.

Annual Mill Capacity

Canadian newsprint mills have an annual capacity of 4,367,690 tons on a 310-day operating schedule. This compares with a capacity of 3,883,000 tons reported in 1937.

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Insul-bric Siding (5/8")
CUTS FUEL COST 25%*
INCREASES HOME COMFORT
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*Average annual saving reported by home owners solely from Re-siding un-insulated wooden homes with B.P. Insul-Bric Siding.
Factory Fabricated in a Solid Sheet with Uniform Protection Throughout Mortar Line and Face of the Bric.
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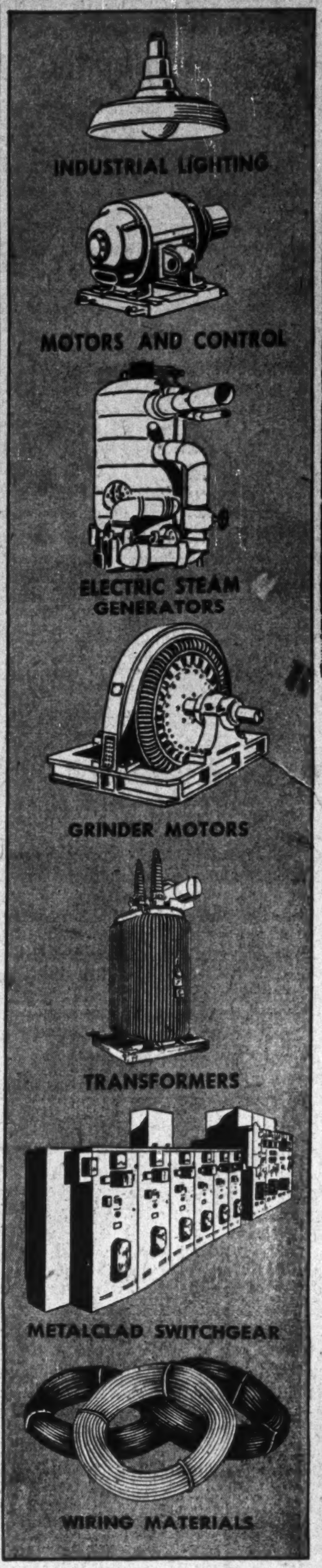

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Many pulp and paper mills, to meet increased production schedules and take care of the larger paper outputs now demanded, are planning to modernize their electric equipment.

Canadian General Electric can assist you greatly in any electric rehabilitation work contemplated. C.G.E. not only supplies a complete line of electric equipment for pulp and paper mills, but also has available experienced engineers to assist you in the selection of equipment to suit your requirements.

By purchasing all your electric requirements from Canadian General Electric you obtain the benefits of undivided responsibility, and save time and money.

CANADIAN GENERAL ELECTRIC COMPANY LIMITED
Head Office-Toronto—Sales and Engineering Offices in Principal Cities

Maritime Units Speed-up

Maritime newsprint mill operations have been conducted on a relatively large scale for some time. There are only two plants in the province, that operated by the Mersey Paper Co. at Liverpool, N.S., and the other by the New Brunswick International Paper Co. at Dalhousie, N.B. The former has the distinction of having operated at capacity almost since the opening of the plant, while the rate of operations of the latter mill has been somewhat better than the average for the prorating companies in central Canada.

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Mersey Paper:						
5% pref. cum. red. par $100	5,000,000	8.76	nil	....	....	....
Common, n.p.v.	150,000 shs.	*1.09	nil	....	....	....
Bowater's Nfld. Pulp & Paper Mills:						
5% pref. par	£2,080,000	0.16	d0.23	....	....	....
Common, par £1	†800,000	d0.20	d1.23	....	....	....
Anglo-Newfoundland Development:						
Ord. shs. par $5	8,516,525	Not available		....	....	....

*After deducting full year's preferred dividend requirements; no account taken of arrears.
†Entirely held by Bowater-Lloyd Newfoundland.

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
Mersey Paper:					
1st Mtge. S. F. A	5	1957	4,000,000	2.53	1.00
Gen. Mtge. S. F. A	6	1949	1,999,500		
New Brunswick International Paper:					
1st Mtge. Gold	6	1961	*12,500,000	Not avail.	

*All owned by International Paper Co.

Mersey Paper

Mersey Paper Co. started its newsprint mill in the early part of 1929. Through refinements in operations and improvements and additions to equipment, production has been stepped up from year to year. Capacity has increased from an original rating of 250 to a current operating level of as high as 360 tons a day.

In the past the company has been somewhat handicapped by lack of power in the primary end of the business. It could turn out paper faster than the processed pulp supply permitted. This condition was corrected about a year ago when the Nova Scotia Power Commission completed the Cowie Falls development.

As a consequence of these improvements it is expected that the tonnage volume for 1940 will show an improvement which, combined with the premium on American funds, will be reflected in larger operating profits.

Last year Mersey Paper and its subsidiaries had a net profit of $437,781 after interest and other prior charges. Following provision for preferred dividends the balance was equivalent to $1.08 a share on the outstanding common stock. This compares with the 1938 profit of $453,078, after interest and depreciation, all of which was transferred to depreciation reserve.

Directors—Col. C. H. L. Jones, pres. & man. dir.; J. McG. Stewart, vice-pres.; B. J. Waters, gen. mgr.; Col. J. L. Miller, P. R. Jack, J. C. MacKeen, Halifax, N.S. Sec.-treas.—T. M. Ratchford.

N. B. International

New Brunswick International Paper Co., a wholly owned subsidiary of Canadian International Paper Co., was organized about the same time as Mersey Paper Co. The mill was completed substantially during 1929, two machines having a combined capacity of 275 tons a day making the first run of newsprint in Feb., 1930. The third machine commenced operations during November and the fourth in December of the same year. Ultimately six machines will be installed having a combined capacity of 825 tons a day.

Operations of the plant and particulars of earnings are consolidated with those of the parent company.

The Great Lakes Paper Company, Limited

Manufacturers of
High-Grade Newsprint
and
Sulphite Pulp

Paper Mill at Fort William, Ontario
Toronto Office—55 York St.

THE Great Lakes Paper Company mill at Fort William, Ontario. The loading dock, from which paper goes by vessel to the Great Lakes ports is shown. A coal dock and paper warehouse have been constructed since this photograph was taken. The three wood piles contain up to 75,000 cords of pulpwood.

DIRECTORS
HON. EARL ROWE, *President*
A. D. COBBAN, *Vice-President*
L. E. ALDRICH W. J. PALMER
L. L. BOWYER C. B. SHIELDS
RAY LAWSON R. G. MEECH, K.C.
SEN. N. M. PATERSON

J. E. GEFAELL, *Vice-President in charge of sales*
C. ENGLAND, *Asst. to the President and Secretary-Treasurer*

THE FORT WILLIAM MILL has modern equipment including two paper machines (304" and 264" respectively) affording an annual capacity of 113,000 tons newsprint, and also excess sulphite mill capacity sufficient to provide approximately 15,000 tons annually of unbleached sulphite pulp for export.

The location of the mill is particularly favorable for low cost operation. The Mill is situated on tidewater, has facilities for storage of newsprint and pulp for water transportation at low rates to American consumers, operates its own coal handling plant, and is able to take advantage of cheap vessel transportation on coal and other operating supplies. Power is supplied under a contract with the Hydro Electric Power Commission of Ontario. The Mill is served by the Canadian Pacific and Canadian National Railways. Its location on the Kaministiquia River also affords facilities for convenient transportation to the Mill, by driving and rafting of raw pulpwood supplies.

Paper Box Difficulties

Interest Centred on Combine Charges Now Waiting Appeal

Interest in the paper box and allied industries for the past year or more has concentrated to a large extent on the combine charges brought by the Dominion against two sections of the industry. Mr. Justice Hope, in the Ontario Supreme Court, recently found 19 companies making shipping containers and one individual, H. J. Badden, guilty of the combine charges. Fines ranging from $2,500 to $10,000 were levied.

All of the companies concerned have entered appeals against the judge's decision and have been granted a stay of payment of the fines pending settlement of the appeal.

Outside Jurisdiction

The defendants allege that this particular case, which involved seven extra-provincial companies, was outside of the jurisdiction of the Ontario courts. They also hold that the judge erred in numerous other points of law. Hearing of the appeal is expected before the end of 1940.

The companies involved in this shipping container combine charge are as follows:

Container Materials, Ltd., Montreal, Toronto.
Acme Paper Box Co.
Standard Paper Box Ltd., Montreal.
Martin-Hewitt Containers, Ltd., Peterboro.
Canadian Wirebound Boxes Ltd., Toronto.
The Corrugated Paper Box Co., Toronto.
Gair Co., Canada, Toronto.
Hinde & Dauch Paper Co. of Canada, Toronto.
Hygrade Corrugated Products, Ltd., London.
Hilton Bros., Ltd., Winnipeg.
Canadian Boxes, Ltd., Vancouver.
Maritime Paper Products, Ltd., Halifax.
Wilson Boxes, Ltd., Fairville, N.B.
Dominion Corrugated Paper Co., Toronto.
Shipping Containers, Ltd., Montreal.
G. W. Hendershot Corrugated Paper Co., Hamilton.
Kraft Containers Ltd., Hamilton.
Superior Box Co., Kitchener.
H. J. Badden, president and secretary-treasurer, Container Materials, Ltd.

Still Pending

Still pending are combine charges against the manufacturers of paperboard, the material used in making the shipping containers. Just when this second case will be heard has not been decided but it is possible that its disposition may wait for the hearings on the appeal already entered in the other case.

Companies involved in the paperboard manufacturers' combine case are as follows:

Bathurst Power & Paper Co., Montreal.
Brompton Pulp & Paper Co., Montreal.
Gair Co., Canada, Toronto.
Hinde & Dauch Paper Co. of Canada, Toronto.
Messrs. Hardy & Badden, secretary-treasurer of Shipping Case Material Manufacturers Assoc., Toronto.

Under ordinary circumstances the paper box industry finds its prosperity or depression periods fluctuating closely with general business conditions. The demand for their product is governed by the amount of goods moving to market.

Use Is Growing

Use of shipping containers and paper boxes of the many types available appears to have been going through a long-term period of growth for a number of years. New uses for containers made from such products are being evolved steadily. The war has brought some along, including the use of corrugated paper containers for shipping shells made in Canadian plants overseas.

Earning power of the industry has been aided over the past year by some increases in selling prices, following a period of price cutting which took prices to new low levels. To what extent this will be reflected in the profits can hardly be foretold as yet because of generally higher costs and taxes.

Gair Co., Canada

Gair Co., Canada, Ltd., is a wholly owned subsidiary of the American concern, Robert Gair Co., Inc. Public interest in the parent company is fairly widespread in Canada through its acquisition from time to time of a number of Canadian concerns operating in the corrugating material, wrapping paper, paper board, folding carton and shipping container fields.

Gair Co., Canada, was formed 1934 to operate, under lease, plants of Canadian Paperboard Ltd. The parent company turned over four other companies previously acquired to Gair Co., Canada, early in 1936. In the same year, also, Gair Co., Canada, acquired Dominion Boxboards, Fibre Boxes, York Paper Mills and Firstbrook Boxes, all of Toronto. A majority of the common stock of Dominion Envelope & Cartons (Western) was also acquired. Bond holders of Firstbrook Boxes accepted the exchange of their securities for 6% income notes of Robert Gair Co.

In 1937 Gair Co., Canada, purchased the property of Canadian Paperboard Ltd. which was previously operated under lease.

These various acquisitions have made Gair Co., Canada, one of the largest makers of shipping containers and allied products in Canada.

Charged With Combine

In the Combine Case prosecuted by the Dominion against a number of companies in the paperboard shipping container industry, Gair Co., Canada, was fined $10,000 along with the other companies. Some of the companies concerned have launched an appeal against the decision. Gair Co., Canada, is also named in the further case still pending against the manufacturers of paperboard.

Major interest in Robert Gair is in its 6% income notes. Payment of interest on these notes was omitted in 1938 but full payment of 6% was made on April 1, 1940, from 1939 earnings.

Profit of the parent company for the three months ended March 31, 1940, after depreciation, interest and dividends of subsidiary company and reserve for Federal Income Tax but before interest on income notes, was $203,596.

Gair Co. of Canada reported profits for the same period of $71,807, after $44,500 was set aside for Dominion Income Tax.

Directors—G. W. Brown, pres. and gen. man.; C. E. Whitten, vice-pres. and treas.; G. M. Willoughby, sec.; G. E. Dyke, T. R. Pierce. **Asst. sec.-treas.**—W. R. Eccles.

Canadian Wirebound Boxes

Canadian Wirebound Boxes, Ltd., makes a wide variety of shipping containers, corrugated, plywood and nailed boxes and sliding drawer storage files. Plants are at Toronto and Montreal.

This company was convicted, along with a number of others, in a combine case against the paperboard container industry recently. A fine of $10,000 was levied. The companies have served notice of appeal against this conviction.

In the year ended April 30, 1940, the company earned $2.12 a share on its class A stock, before giving effect to the participation feature, as compared with $1.87 a share in the previous year. Regular dividends of $1.50 a share were paid on the class A, leaving arrears unchanged at $2.25 a share at July this year.

Operations in the three months ended July 31, 1940, showed considerable improvement over the corresponding period a year earlier with volume of orders on hand substantial.

Directors—D. L. White, Jr., chm., Midland, Ont.; A. M. Dunn, pres. and man. dir.; H. A. Greene, vice-pres.; H. M. Millar, E. G. McMillan, S. B. Playfair, H. L. Trapp, Toronto; A. K. Cameron, Montreal.

Sec.-treas.—J. P. Berney.

Corrugated Paper Box

Corrugated Paper Box Co. makes corrugated and solid fibre shipping containers and folding cartons. Distribution of its products is made throughout Canada by its own sales force.

The company's main plant is at Leaside, Ont., but a subsidiary, Hilton Bros., owns a plant at Winnipeg.

Corrugated Paper Box Co. was convicted, along with a number of other companies, in the combine case prosecuted by the Dominion recently. A fine of $10,000 was imposed. Corrugated Paper and its subsidiary have both served a notice of appeal.

Earnings per share in 1939 amounted to $9.10 a share on the preference, a considerable improvement over the $5.68 a share in 1938. Dividends, which were deferred on the preference stock on Sept. 1, 1938, were resumed with a $1.75 payment in April of this year, leaving arrears of $10.50 a share. No dividends have ever been paid on the common.

Financial position at the end of 1939 was somewhat restricted although a working capital of $339,328 was shown. The company had only a small amount of cash although investments of $46,397 were shown.

Directors—A. T. Whealy, pres. & treas.; *J. A. Gairdner, vice-pres.; J. A. Whealy, vice-pres. & sec.; Toronto; Henry Hilton, Winnipeg, mgr.; W. J. Hilton, Winnipeg; *W. A. Woodcock, William Lawrence, Toronto.

Man. dir. folding carton division—F. L. Clouse.

*Representing preferred shareholders.

Hinde & Dauch

Hinde & Dauch Paper Co. of Canada is one of the most important units in the manufacture of fibre shipping containers, corrugated paper products, paperboard and straw board in Canada. The Canadian company, with plants at Toronto Trenton and Montreal, is controlled by the Hinde & Dauch Paper Co. of Ohio.

This company, along with a number of others, was convicted under combine charges brought by the Dominion recently against shipping container manufacturers. A fine of $10,000 was levied. Conviction has been appealed.

The company's Toronto plant contains two paperboard machines with combined capacity of about 225 tons daily and two box-making divisions with a combined capacity of about 13 carloads daily. At the Trenton plant the company produces strawboard for corrugating purposes at the rate of about 100 tons daily. The Montreal operations are confined to the fabrication of solid fibre and corrugated shipping boxes from the paper boards produced at the other plants. A modernization and improvement programme has been in progress for several years.

Profits Higher

Better profits were shown for the first seven months of 1940, after provision for increased taxes, than in the corresponding period of 1939. Tonnage sales were higher, with export business a comparatively small factor and domestic sales providing practically all current business. Prices of all boxes have advanced.

The company enjoys a strong financial position and has reported net profits available for dividends in each year except 1931 and 1932 since it was organized in 1923. Current dividends of 50 cents a share are paid on the common.

Directors — Sidney Frohman, pres., Sandusky, Ohio; L. F. Winchell, vice-pres. & gen. mgr.; T. E. Lloyd, treas., Toronto; J. H. MacLeod, sec., Sandusky, Ohio; M. H. McArthur, gen. sales mgr.; R. L. Warren, Toronto; M. H. Murch, Cleveland, Ohio.

Canadian Paperboard

Shareholders of Canadian Paperboard voted at a meeting earlier this year to make final distribution of the company's remaining assets and surrender its charter. At the end of the last year Canadian Paperboard had assets of $3,883 in cash and receivables with current liabilities of $2,311.

There also remained $33,578 of the 6% income notes of Robert Gair Co. on deposit for distribution to holders of 1,190 preference shares which have not been turned in for exchange. Preference shareholders had previously accepted a liquidation dividend of $30 a share in income notes of Robert Gair Co. following sale of Canadian Paperboard's assets to the latter in 1937. From final assets there will be a very small dividend for preference shareholders but nothing for common.

G. W. Hendershot

G. W. Hendershot Corrugated Paper Co., Hamilton, manufactures corrugated paper containers and allied products. The company makes its sales largely under contract with large department stores and distributors in eastern Canada.

In the combine case mentioned in the lead of this article G. W. Hendershot was fined $5,000. This company has entered an appeal against the verdict of the court.

The present company started operations in March, 1937. Last year an increase of nearly 10% in physical volume of sales offset the drop in dollar volume with the result that net profits were more than double the 1938 figures. Progress was reported in reducing the bank loan. An initial dividend of 10 cents a share was paid in Dec., 1937, and another interim payment of 15 cents a share made Feb. 28 of this year.

Directors—G. W. Hendershot, pres. and gen. mgr.; Wm. Mayall, vice-pres.; M. F. Brevillier, sec.-treas.; S. S. DuMoulin, Argue Martin, Hamilton, Ont.

Newsprint Mills Step Up Operations

Canadian newsprint mills have been operating at a higher ratio this year due to the increased demand from the United States and overseas markets. For all of 1939 the mills operated at 66.8% of capacity, while for the current year the average to date has been between 75% and 80% of capacity.

The trend by months since the beginning of 1937 follows:

Operating Ratio of Canadian Mills

	1940	1939	1938	1937
Jan.	68.5	59.8	65.4	92.2
Feb.	65.8	60.0	62.0	91.7
Mar.	68.6	58.6	61.0	89.1
Apr.	73.4	63.4	56.8	90.8
May	85.1	66.4	58.7	95.1
June	89.5	66.4	57.0	95.5
July	90.8	65.3	59.6	96.8
Aug.	83.2	63.0	60.0	97.9
Sept.		72.7	68.2	99.4
Oct.		77.5	72.0	96.6
Nov.		79.7	69.3	92.7
Dec.		69.1	59.3	89.8
Aver.		66.8	62.4	93.9

Paper Box Securities

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Corrugated Paper Box:						
Pref. cum. red. par $100 ..	*696,000	9.10	5.68	68	20½	50
Common, n.p.v.	47,000 shs.	0.13	†d0.195	....	....	....
*$42,300 held by subsidiary.						
Dividend Rate: On preferred $1.75 paid Apr. 1, 1940.						
†After allowing for full year's preference dividend only.						
Gair Company of Canada: (Wholly owned by Robert Gair, Inc.).						
Common, par $10	92,300 shs.	2.01	....	....	....	....
All owned by Robert Gair Co. Inc.						
Hinde and Dauch Paper:						
Common, n.p.v.	299,933 shs.	0.996	1.42	16	7	12⅛
Dividend Rate: 50 cents per annum.						
Canadian Wirebound Boxes:						
Cl. A part., n.p.v.	50,915 shs.	*1.50	*1.50	22	13½	18
Cl. B non-cum., n.p.v. .	40,000 shs.	*0.78	*0.46	..	..	..
*After taking participating provisions into consideration. Years ended Apr. 30, 1940 and 1939. Dividend rate: Class A, $1.50 per annum.						
G. W. Hendershot Corrugated Paper:						
Common, n.p.v.	30,000 shs.	0.96	0.38	..	..	..
Dividend Rate: 15 cents paid Feb. 28, 1940.						

Bonds:

	Rate Int. %	Maturity	Outstand. $	After Deprec. Times Int. Earn. 1939	After Deprec. Times Int. Earn. 1938
Gair Company of Canada: (Wholly owned by Robert Gair, Inc.).					
1st Mtge. Serial	6	1941	*35,000	4.79	...
1st and Gen. Mtge. S. F.	6	1956	1,053,100		
Notes	7	1941	700,000		
*Secured by assets acquired for Fibre Boxes.					
Hinde and Dauch Paper:					
1st Mortgage Ser.	4	1940-42	450,000	16.38	19.63

Buy War Savings Certificates and War Savings Stamps

THOUSANDS of square miles of timber country constitute Canada's natural resources in the pulp and paper industry. To transform these natural resources into national wealth requires capital. The capital invested in this great Canadian industry is represented, in many instances, by securities engraved and printed by this company.

BRITISH AMERICAN BANK NOTE COMPANY
LIMITED

The Old Canadian Company *Established 1866*

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Sec.-Treas.

HEAD OFFICE: OTTAWA
262 Wellington Street

511 Place d'Armes
MONTREAL

1110 Montreal Trust Bldg.,
TORONTO

Miscellaneous

Canadian Wallpaper Manufacturers

Canadian Wallpaper Manufacturers Ltd. is the largest producer of wallpaper in Canada. A portion of the output is exported.

The company's plants are in New Toronto and Leaside, Ont., and Montreal, Que. A new factory at Leaside, costing about $400,000, started operations in May, 1937.

Earnings per share in the year ended April 30, 1940, on the total class A and B shares outstanding were $1.17 compared with 62 cents in the preceding year. A dividend of $1 a share was paid on both classes of stock in July, which compared with the 50 cent payment made in 1939.

Directors—Arnold Ashton, pres., Toronto; J. T. Chasney, vice-pres.; Ralph Entwisle, London, Eng.; R. N. Boxer, E. G. Staunton, Gerald Staunton, F. M. Hulbig, F. C. Hanson, J. P. Ramsay, R. R. Sparling, R. M. McCubbin, Toronto; R. H. Gillean, C. M. Williamson, H. S. Foster, R. H. Gillean, Jr., Montreal; A. V. Sugden, G. A. Orme, Manchester, Eng.

Sec.-treas.—John Prescott.

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Canadian Wallpaper Manufacturers:						
Class A, n.p.v.	23,442 shs.	*1.17	*0.62	15	9	9⅛
Class B, n.p.v.	105,804 shs.			13	9	9
Dividend Rate: Classes A and B, $1 per annum.						
*Years ended Apr. 30, 1940 and 1939.						
St. Regis Paper:						
Common, par $5	500,000 shs.	Not available		..	..	..
All owned by St. Regis Paper Co. of New York.						

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
Canadian Wallpaper Manufacturers:					
Coll. Tr. Ser. B	4	1939-44	250,000	....	....

Inter. Paper Pays On Preferred

From Our Own Correspondent

MONTREAL.—International Paper and Power Co. has declared a dividend of $1.25 on the 5% cumulative convertible preferred stock, payable Sept. 28 to stockholders of record Sept. 20. Similar amounts were paid in June and March. Arrears, after current payment, will amount to $12.50 a share.

Directors of International Paper Co., a subsidiary, did not take any action with respect to dividends. However, International Paper and Power Co. has agreed to pay any of the few remaining holders of International Paper Co. 7% preferred stock, who so wish, a further sum of $1.25 a share against the assignment of that amount of dividends accrued on such stock.

U. S. Publishers Use More Newsprint

From Our Own Correspondent

MONTREAL. — Apparent total consumption of newsprint paper by all U. S. publishers amounted to 275,686 tons in August, according to returns of the American Newspaper Publishers Association.

This was an increase of 9,123 tons, or 3.4% over August, 1939, compared with the corresponding gain of 4.3% in July.

Consumption for the first eight months of this year was 6.4% higher than in the same period a year ago.

Clay Finishes Paper

Pulp and paper manufacturers are more important users of China clay —nearly $600,000 worth a year. Clay is used in putting a finish on the better quality paper.

Aerial view of the modern newsprint mill of The James Maclaren Company.

POWER and PAPER
for TODAY'S NEEDS

Salient Features of the
Maclaren Development
•
POWER
Installed capacity
270,000 h.p.
STORAGE RESERVOIR
30,000,000,000 cu. ft.
GROUNDWOOD
85,000 Tons Annually
NEWSPRINT
350 Tons Daily
PULPWOOD LIMITS
2,600 sq. miles

Increasing requirements for power for large scale vital industrial expansion for war purposes finds this company ready to meet present important demands.

In the field of newsprint — that valuable source of much-needed foreign exchange — the company's modern and efficient mill is geared for full and economical production.

And back of this readiness and capacity to serve stands the name Maclaren which for over 70 years, in the Ottawa Valley has stood for fair dealing and a quality product.

Maclaren Power & Paper Company
Maclaren-Quebec Power Company • The James Maclaren Company Limited
BUCKINGHAM, QUEBEC

Records show that plant re-conditioning
with Sherwin-Williams Paints

pays dividends

COVER THE EARTH

FOR over 73 years Sherwin-Williams have specialized in the development of paint and paint products only.

Time and again during this period, Sherwin-Williams paints have proved that they give the greatest value in appearance, improved light conditions and durability.

Today Sherwin-Williams Advisory Service, backed by research, testing and manufacturing facilities unequalled in the industry, is freely at your service for consultation on the formulation of special paints to meet the toughest plant requirements, to resist fumes, water, heat, chemicals, climate and rough usage.

Many companies, both large and small, are taking full advantage of this valuable service. If YOU are considering painting, why not call the nearest Sherwin-Williams office?

SHERWIN-WILLIAMS PAINTS

The Sherwin-Williams Co.
of Canada, Limited
Head Office: Montreal

Halifax, Saint John, Charlottetown, Quebec, Montreal, Rouyn, Ottawa, Kingston, Toronto, Hamilton, Brantford, Kitchener, Windsor, Fort William, Winnipeg, Regina, Saskatoon, Calgary, Vancouver.

Insulating Board Sets Record

War and Domestic Requirements Force Output Higher

An outstanding development of the Canadian pulp and paper industry in recent years has been the very substantial increase in output of insulating board.

At one time board was considered as a mere by-product of the larger plants. But the introduction of new methods of use and refinements in manufacture have created a demand in the building trades, resulting in this branch of the industry assuming a new importance. Use of board for insulation, interior decoration and acoustical purposes has grown very rapidly. It was greatly stimulated by the Federal housing projects carried out in the United States and Canada prior to the war. Millions of dollars were spent on home improvements and there was a sharp upswing in the demand for board.

Output Still Gains

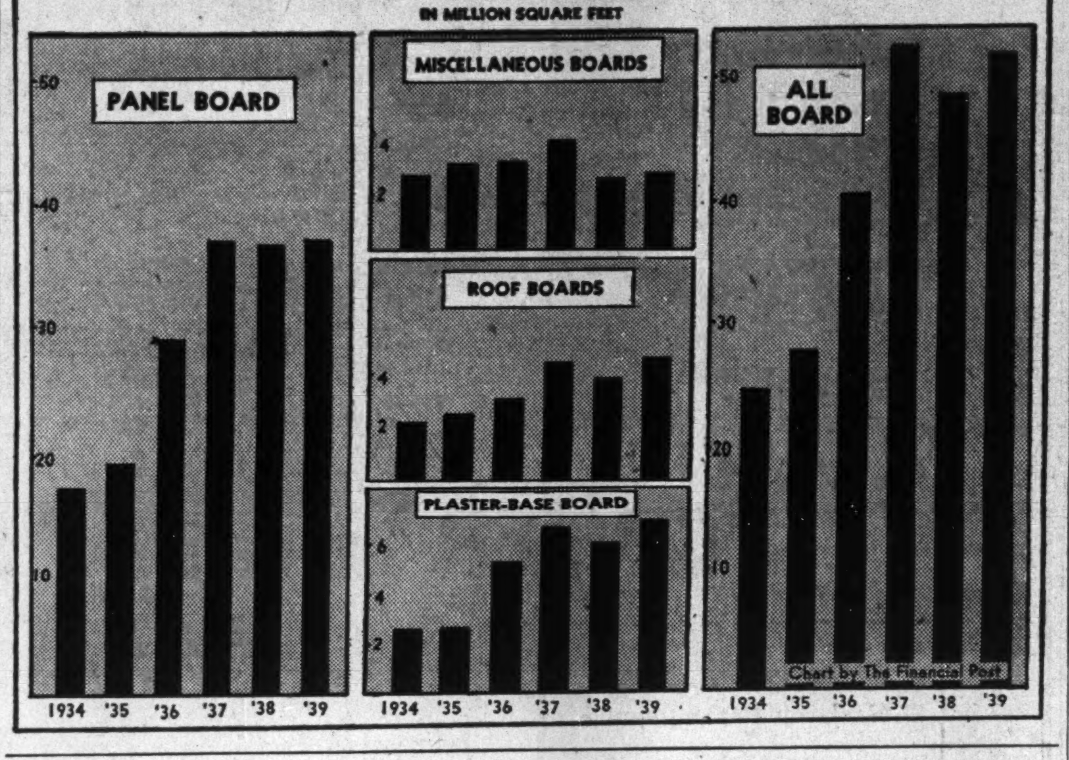
The war has brought additional demand for insulating board. The erection of temporary and permanent shelters for troops has called for millions of feet both here and in Great Britain.

Record of Growth

In the accompanying chart it will be noted that the production of all types of board has risen steadily, despite the sharp setback to business in 1938.

Practically all of the production of insulating board in Canada is accounted for by three firms — Donnacona Paper Co., International Fibreboard Co., and Building Products Ltd.

Last year these firms reported domestic shipments of 51.6 million square feet. This was only slightly less than the record year of 1937 and more than double that reported in 1934.



Building Products

There is no break down available of the output of the individual plants. Building Products Ltd., one of the three main producers, has been long in the business. This company also produces a wide variety of other building materials. The manufacture of insulating board was undertaken about 10 years ago. Operations are centred largely in Quebec and over a period of many years ago the company has demonstrated a well-developed earning power.

Last year Building Products recorded an all-time high both for sales and profit. Earnings per share were equal to $1.01, as against 77 cents a share in 1938.

The growing operations of the company are indicated in the plans adopted last spring for the construction of a $250,000 building paper mill in Winnipeg to serve the western Canadian trade. This new unit will be completed and in operation shortly.

Directors—P. R. Allen, chm., East Walpole, Mass.; W. R. McNeil, pres.; D. P. Hatch and C. P. Cowan, vice-pres.; R. C. Crooker, sec.-treas.; Winthrop Brainerd, G. M. McKee, G. H. Montgomery, Montreal; H. R. Tudhope, Toronto.

Donnacona Paper

Donnacona Paper Co. also ranks as an important producer of insulating board. This operator was one of the first in the field and has spent a large sum on its plant about 30 miles west of Quebec City. Like other operators Donnacona does not confine its operations to board, being well known as a producer of newsprint and pulp.

The plant has been operating at capacity for some time. It is more important as a factor in keeping down general operating costs than as a contributor to the net earnings of the company. However, it fits in well with the company's general scheme of operations and has been instrumental in bringing about the better showing made by the company.

Directors—R. P. Kernan, pres.; Hon. Geo. Parent, vice-pres., Quebec, P.Q.; L. W. Michael, sec.-treas., Donnacona, P.Q.; Sir Geo. Garneau, Hugh Mackay, A. P. S. Glassco, Montreal.
Asst. sec.-treas.—C. Leveille.

Inter. Fibre Board

International Fibreboard Ltd., controlled by International Paper Co., came into being about 12 years ago, when it took over a plant at Midland to manufacture insulating board. A new plant was built at Gatineau. This unit will have an ultimate capacity of 600,000 square feet of board per day.

Wood screenings which are a by-product of the C. I. P.'s paper plant at Gatineau are used in the manufacture of the board. From the manufacture of the insulating board itself the company produces a by-product known as wood-flour which has a value in the manufacture of explosives, composition flours and as an insulator.

No particulars are made public by the company as to sales or earnings, all operating returns being consolidated with those of the parent company. With the exception of a small amount of preferred, all of the capital stock is owned by International Paper Co.

Masonite Co.

Early in 1938 International Fibreboard was appointed selling agents for Masonite in Canada. A year later it was decided to build a plant in Canada and a new company was formed called Masonite Co. of Canada, with ownership divided equally between Canadian International Paper Co. and Masonite Corp.

Work was started immediately on the construction of a $300,000 plant at Gatineau, P.Q., to manufacture all grades and types of board products made by Masonite Corp. and which had hitherto been imported.

Though this plant has been in operation only a short time, results evidently exceeded earlier expectations, as last July announcement was made that a $75,000 addition would be constructed.

Directors—S. L. de Carteret, pres.; R. G. Wallace, vice-pres.; Roy Campbell, sec.; Ben Alexander, E. L. Saberson, P. A. Sargeant, C. Southgate.

U. S. Pulpwood Imports Originate in Canada

All of the pulpwood imported into the United States during the current year originated in Canada. While the returns are not as spectacular as those for newsprint or pulp, the amount of trade in this commodity runs into fairly large figures each year. During July last exports of pulpwood to the States had a value of nearly $2.2 millions, about half of which was represented by peeled spruce pulpwood.

Insulating Board Securities

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
Building Products:						
Common, n.p.v.	483,384 shs.	1.01	*0.77	19	12	16

Dividend Rate: 70 cents per annum; 10 cents extra paid Jan. 2, 1940.
*After deducting non-recurring expense $41,836 for share exchange and Portneuf flood loss.

Donnacona Paper: (See Newsprint Section).

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
International Fibre Board:						
1st pref. cum. par $100 ...	1,500,000	Not avaliable		....	....	....
2nd pref. non-cum., n.p.v.	65,000 shs.					
Common, n.p.v.	10,000 shs.					

International Paper owns $1,318,800 of 1st pref., 64,999 shs. of 2nd pref., all of common shares.

Bonds:

Donnacona Paper (See Newsprint Section):

Pulp and Paper Plays Big Role

(Continued from page 15)

the pulp and paper industry which have a bearing on the favorable balance of trade and in turn the Dominion's ability to finance the war.

A breakdown of the pulp and paper trade to show the net contributions to the Dominion's favorable trade balance follows:

NET ADDITIONS TO TRADE BALANCE*

	1939	1938
Woodpulp	$26,197,200	$39,302,600
Paper—		
Fibreboard	1,168,000	1,162,000
Paperboard	1,606,000	3,187,000
Book	†318,500	17,600
Wrapping	1,188,000	1,319,200
Newsprint	107,360,000	120,008,000

*Only principal items shown.
†Excess of imports.

In financing the war effort the pulp and paper industry plays a direct part as an outstanding source of U. S. funds.

Benefits Canadian Economy

Indirectly the industry helps in its contribution to the whole Canadian domestic economy.

Within the life of many now living, the manufacture of pulp and paper has grown from an unimportant and little-known industry to become leading manufacturing activity in the Dominion.

Capital invested today exceeds $570 millions and industry ranks second only to the central electric stations in this respect.

It was first in gross value of production from 1925, when it replaced the flour mills, until 1935 when it was overtaken by the non-ferrous metal smelting and refining group.

As to the net value of production, the industry is second only to the central electric stations, heading the list of purely manufacturing industries since 1920 when it replaced the sawmills.

Canada's No. 1 Employer

This industry is the largest employer of labor in the Dominion of Canada.

For the past 15 years or more the pulp and paper mills have maintained unchallenged their position as Canada's No. 1 employer and paymaster.

Directly dependent upon the industry for a livelihood are 40,000 workers and their dependents.

These Canadians receive $50 millions a year in salaries and wages.

To supply the wood requirements of the country's 99 pulp and paper mills needs an army of workers—lumberjacks, settlers, teamsters, machinists, blacksmiths, cooks and others.

Another army is needed to transport raw materials to the mill and the finished product to the market.

Then, too, there are a number of allied industries which cater directly to the mills and many, many others which look after the everyday needs and luxuries of those engaged in making pulp and paper.

Employment provided and created does not end there.

Basis of Community Life

Over 50 Canadian communities—some small and some large—are wholly or partially dependent upon the industry for their existence.

No industry can live unto itself. The pulp and paper industry is a fine example of the truth of the statement.

The paper and pulp mills of this country spend nearly $95 millions annually on a host of supplies and materials necessary for the carrying on of ordinary operations.

The fishermen on the Atlantic and the Pacific; the wheat grower on the Prairies; the fruit grower in the east and the west; the dairymen; the stockraiser; workers in the textile, iron and steel, automobile and hundreds of other industries benefit from the operations of this industry.

Last year the pulp and paper industry purchased approximately $8 millions of farm and livestock products, or 30,000 tons of foodstuffs.

Between $6 millions and $7 millions was spent on coal.

Another $5 millions was spent in establishing lumber camps to provide employment for 120,000 men.

Nearly $25 millions was spent on replacements, additional machinery, new rolls, Fourdrinier wires, wool blankets and other items.

Purchases of sulphur totalled $3.8 millions; limestone, $600,000; lime, $900,000; liquid chlorine, over $1.3 million; salt cake, $880,000; China clay, $575,000; dyes and colors, $500,000. These are only a few of the many articles which go into the manufacture of pulp and paper.

The industry's influence on the domestic economy does not end there. Millions of dollars are spent every year on pulpwood bought from settlers. In many areas across the Dominion the industry is the only source of cash income for thousands of new settlers.

Niagara Flow of Traffic

By water, highway and rail millions of tons of traffic flow continuously in and out of the Dominion's great pulp and paper centres. It may be pulpwood moving hundreds of miles up the St. Lawrence River; sulphur from the Gulf of Mexico; salt from Saskatchewan; special clays from England; wires and machinery parts from the industrial centres of Canada; or paper for the Fiji Islands.

It is estimated that in the last 12 months Canadian pulp and paper manufacturers paid an aggregate of $50 millions for transportation of the materials they use and for the products they manufacture.

The major share went to the railways, which handled more than 7 million tons of this traffic, or nearly 10% of all the freight hauled in the Dominion.

More than one million tons of newsprint paper were shipped to the United States by inland and coastal vessels.

Over 475,000 tons of newsprint were transported in Canadian, British and other vessels to Europe, Africa, South America, Australasia and the Orient.

Industry Pays Its Way

In peacetime and particularly in wartime, the pulp and paper industry is an important source of tax revenue for the operation of the Dominion, provincial and municipal governments.

This year it is estimated that the industry's output will reach a value of $250 millions—on a conservative basis—and of this figure close to 10% or $25 millions will be paid out in taxes, most of which will go to aid the war effort.

Indirectly an even larger sum will be disbursed for taxes, for of the amount spent on materials, and on the wages and salaries paid to Canada's largest peacetime army of workers, a substantial proportion will be paid over to the taxing authorities.

This is necessarily a brief outline of the key position which Canada's pulp and paper industry occupies in the war and peacetime economy. Other illustrations could be given to lend added emphasis. However, sufficient material has been set out to show that with all its modesty and contrary to the findings of a hypothetical Gallup pole of public opinion, pulp and paper is a great national industry.

Bank Borrowings Sharply Reduced

Pulp & Paper Operators Improve Financial Position Since 1936

Returns on capital invested in the Canadian pulp and paper industry over the past decade have been negligible. Here and there an operator is to be found that has paid a dividend on capital stock. In general the industry has not been able to do much better than to earn bond interest and depreciation.

Returns on capital have been disappointing. Nevertheless the manufacturers have been able to do much in strengthening their financial position. In particular, considerable progress has been made in reducing bank indebtedness. At one time Canadian pulp and paper operators owed between $50 and $60 millions to the banks. Today the overall obligation is about one tenth of that amount.

A notable example of the improvement which has taken place in the finances of the operators is that of Consolidated Paper Corp. For example, in 1936 this company owed the banks over $9 millions. By the end of last year bank loans had been reduced to under $1.5 million and since then have been entirely liquidated.

Mention also might be made of Abitibi which in the last two years has paid off $4 millions of receivers' certificates.

The improvement which has taken place in reducing bank loans is indicated in the following table covering the experience of 11 major operators. It will be noted that at the end of 1936 their combined borrowings totalled $20.5 millions. This figure had grown to nearly $23.4 millions in 1938, but by the end of last year had been reduced to under $9 millions.

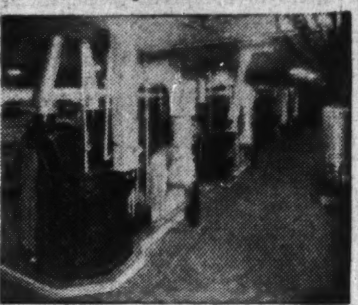
Indications at this stage clearly point to the prospect that bank indebtedness of the Canadian pulp and paper industry at the end of 1940 will be at the lowest point in a decade or more.

Position of Bank Loans
As at December 31

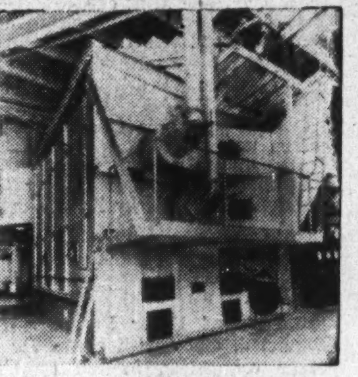
	1939	1938	1936
	000's Omitted		
Abitibi	....	4,000	3,650
Brompton	....	367	....
Cons. Paper	1,462	7,619	9,157
Donnacona	664	983	352
Dryden*	25	....	....
Fraser	2,072	7,419	2,302
Great Lakes ...	....	56	200
Howard Smith ..	250	750	820
Lake St. John ..	436	1,196	....
Price Bros.	2,322	†3,675	▲2,877
St. Law. Paper .	1,733	2,285	1,163
Total	8,965	23,350	20,520

*Years ended Sept. 30; Mar. 31, 1939; Mar. 31, 1937.

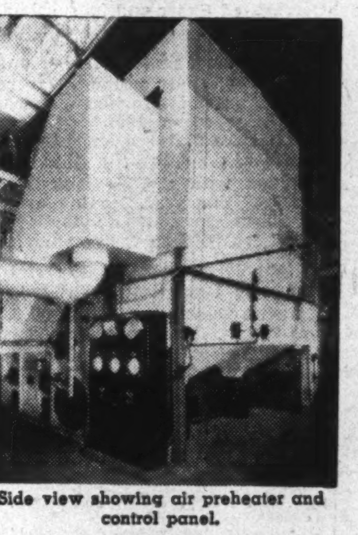
Front of boilers, feed hoppers and chutes to pulverizers below.



Battery of coal pulverizers.



Boiler fronts showing pulverized coal burners.



Side view showing air preheater and control panel.

BABCOCK

"INTEGRAL" FURNACE BOILER UNITS

Steam at Lower Cost

The "Integral" Furnace Boiler is a completely coordinated steam-boiler unit including superheater, air heater, water-cooled furnace, coal pulverizer and burner, instruments, metering and control equipment, duct work and forced and induced draft fans—all designed, built and sold under a single responsibility.

It is especially suitable for modernization programs where it is desired to realize high standards of performance in continuity of service, high overall station economy, and the greatest return on the investment.

The unit is designed to burn pulverized coal, oil or gas, alone or in combination. Thus it is possible to utilize at high combustion efficiency, the least expensive commercial fuel available in any locality.

The "Integral" Furnace Boiler marks a distinct forward step in the reduction of steam costs. Let us discuss with you the possibility of increasing steam-generating efficiency and lowering costs in your plant.

Top two illustrations taken in plant of Hinde & Dauch Paper Co. and lower two at Belgo and Wayagamack Mills of Consolidated Paper Co.

BABCOCK-WILCOX & GOLDIE-McCULLOCH
GALT Limited CANADA
Branches: MONTREAL - TORONTO - WINNIPEG - VANCOUVER

BOMBERS *for* BRITAIN
... are bought with exchange provided by
PULP AND PAPER EXPORTS

A mighty factor in Canada's industrial and economic life in times of peace, the pulp and paper industry now has assumed a position of even greater importance in wartime. For Canada's pulp and paper exports provide the Dominion with one of its chief sources of foreign exchange—at a time when these precious funds are vitally needed for the purchase of war supplies.

Canada is currently exporting pulp and paper at the rate of over $250,000,000 per year. Translated into terms of war material—these exports will provide credits to pay for more than 2,500 bombers — or 5,000 fighters — or the equivalent in other war essentials.

As an integral part of the pulp and paper industry, Bathurst Power and Paper Company is proud to be sharing in this contribution to Canada's wartime economy. The enlarged and modernized mill at Bathurst, N.B., is operating at full capacity with production at the highest rate in the Company's history.

●

BATHURST POWER AND PAPER COMPANY
LIMITED

Salmon Hole Dam and Power Plant, St. Croix, N.S.

PRODUCERS OF HIGH GRADE MECHANICAL FIBRE

Presently operating to capacity on outstanding contracts, with installed capacity increased from 70 to 110-120 tons daily. Total installed power development 7,100 h.p.

MINAS BASIN PULP AND POWER COMPANY
HANTSPORT Limited NOVA SCOTIA

Recover Overseas Markets

War Gives Canadian Newsprint Mills Big Opportunity

Canada's newsprint shipments for the first 8 months of 1940 increased nearly 550,000 tons over that reported for the like period of 1939. While the United States market accounted for around three fifths of the gain, the showing made by the "overseas" markets was particularly encouraging.

The trend of overseas shipments in recent years has been downward. This has been due to a variety of causes. Scandinavian competition has been especially keen in the Latin American market. German barter trade has taken several thousand tons of business. Greater economy in the use of paper by publishers also has been a factor.

Back to Canada

War conditions have had the effect of swinging many markets back into the orbit of the Canadian manufacturers. They have returned to Canada because of the disruption of international trade. Russia's attack on Finland disorganized the Finnish newsprint industry; the invasion of Norway by Germany cut off that country from world markets; while the blockade has made Sweden a very uncertain source of supply.

Almost from the day war started in Europe, Latin American, British South Africa, the Orient and numerous other markets, realized they must look to Canada, the only newsprint-producing nation that could assure an adequate and regular source of supply.

More Business for Canada

The result of this readjustment of trade, together with the pickup in demand from the United States, has been an upswing in the volume of Canadian newsprint sales during the current year. Some markets have had to curtail purchases, but, in the main, increases have been general.

This is shown in the following table setting out the net changes in sales of Canadian newsprint by principal marketing areas for the first 7 months of 1940 with comparative figures for the same period of 1939:

Overseas Trade by Areas
7 Months ended July

	1940	1939
Empire Cts.	230,404	244,850
South America	93,694	6,842
Central America	15,514	350
West Indies	8,317	6,749
Orient	17,398	2,111
All others	5,898	1,991

Canada has always been the principal source of newsprint paper supply for American publishers. The gain in sales to that market, accordingly, has been taken much for granted.

Overseas Sales Important

Changes in the overseas markets (all sales outside of the States and Canada) have been particularly interesting and one reason for the high operating ratio of Canadian mills this year.

Ordinarily comparatively little attention is given to these overseas sales, as those to the United States dominate the picture. Now they are growing in importance and during the war and in the post-war period will bear watching as they may have a strong bearing on operations of the mills in this country.

Start to Pick Up

The trend of overseas sales in recent years, with monthly comparative figures for 1940 and 1939, are set out below:

Overseas Newsprint Trade
(In Tons)

1936		619,129
1937		525,756
1938		475,779
1939		477,594
	1940	1939
January	40,636	26,330
February	31,803	24,548
March	33,098	33,465
April	54,285	20,556
May	73,829	57,698
June	68,560	42,346
July	72,447	47,677
August	84,206	41,309
September	......	37,343
October	......	49,963
November	......	51,743
December	......	44,616
Total	......	477,594
8 months total	458,784	293,929

A break down of the overseas sales for the first 7 months, in comparison with the like period a year ago, shows that with the exception of the Empire countries, all groups recorded increased purchases. In particular the gain in sales to the Latin American bloc—Central and South America—was most marked, as shown in the following tabulation:

Changes in Newsprint Trade
(January-July: in tons)

Empire Cts.	......	14,446
South America	86,852	......
Central America	15,164	......
West Indies	1,568	......
Orient	15,287	......
United States	300,363	......
All others	3,907	......
Total	423,141	14,446

Restrictions in Effect

The Empire countries, all of which are in the Sterling bloc, have taken steps to curtail the purchase of newsprint, payment for which must be made in American or Canadian dollars. This has been done by two methods—placing imports under government control and raising the price to a level automatically forces a reduction in consumption and the rationing of paper sizes.

The effect of this policy has been most marked in Britain. For the seven months ended July shipments to the United Kingdom amounted to 56,898 tons, as against 119,897 tons in the same period of 1939.

English Publishers Buy

Conditions in the English market are not as bad as indicated by these figures. Actually sales to the United Kingdom this year will be fairly substantial as arrangements were concluded some time ago by a group of English and Scottish publishers to buy a large block of tonnage co-operatively. Deliveries under this contract will be reflected in later trade figures.

Shipping, too, is a matter of importance in this and other overseas markets. Deliveries to England must necessarily be irregular as newsprint ranks after many other commodities in order of priority.

French Tonnage Tied Up

One interesting development of the war and linked up with the British purchase was a similar arrangement made on behalf of French publishers. The latter contracted for 50,000 tons and the money for same was deposited in Canada—well over $1 million—but because of subsequent developments it was impossible to deliver the paper.

Empire Markets Expand

The situation respecting other Empire countries is definitely encouraging. British South Africa has increased its purchases this year by 50% to 24,110 tons to the end of July.

British India, Burma and Ceylon have turned to Canada for their paper supplies and newsprint deliveries in the first seven months this year totalled 9,896 tons, as against only 28 tons a year ago.

Australasia fortunately entered into a contract with Canadian producers long before the war started and has managed to take deliveries as scheduled. However, in view of restrictions on import trade, it is possible that sales to Australia and New Zealand will be limited.

Orient in Market

Th Orient has swung back into the Canadian list. Up to July China increased her purchases of Canadian newsprint to 8,319 tons, as against only 55 tons last year.

The East Indies bought 7,331 tons, compared with 1,058 tons in 1939, while the Philippines practically doubled purchases—998 to 1,748. tons.

Recover Latin America

From the point of view of the Canadian manufacturers the most interesting and most important change in overseas markets has been the recovery of the Latin American market. At one time this was an important sales outlet, but the introduction of a new sales policy by the manufacturers a few years back resulted in diverting the business to the Scandinavian producers.

The trend of sales in the Latin American area in recent years is set out below:

Latin America Trade
(in tons)

1939	67,000	1935	102,000
1938	44,000	1934	106,000
1937	147,000	1933	57,000
1936	130,000	1932	53,000
1939	51,000		

Already this year sales to Latin America have been more than double those of all last year. Further indications are that deliveries for the full 12 months of 1940 will compare very favorably with the previous record year of 1937.

The over-all newsprint trade figures for Latin America, as shown in the table above, do not give a comprehensive idea of the changes that have taken place in that area. It is necessary to examine the detailed returns.

New Trade Outlets

In the January-July period of this year Chile, Peru and Uruguay purchased an average of just over 5,000 tons each—the individual purchases ranging from 4,840 tons to 5,754 tons. In the same period last year not one ton of Canadian newsprint market was sold in any of these markets.

Argentina's purchases this year have been 10 times as great as 1939—55,188 tons as against 5,682 tons. Brazil has done even better by Canadian manufacturers—her purchases of 17,662 tons to the end of July comparing with 143 tons in the like period a year ago.

Venezuela took 2,088 tons to the end of July, compared with 891 tons in the same period of 1939. Mexico was well to the fore with purchases of 13,603 tons this year and only 29 tons in 1939.

Other Latin American markets collectively took between them around 5,000 tons for the seven months period, or roughly 10 times as much as a year ago.

Good Gain Indicated

There is now no doubt but that Canada's shipments of newsprint overseas this year will be well in excess of those reported for either 1939 or 1938.

Even more encouraging is the prospect that the Canadian mills will be able to consolidate their position in these recovered markets and that when the post-war period of readjustment takes place a large share of this trade will be permanently on the books of the manufacturers.

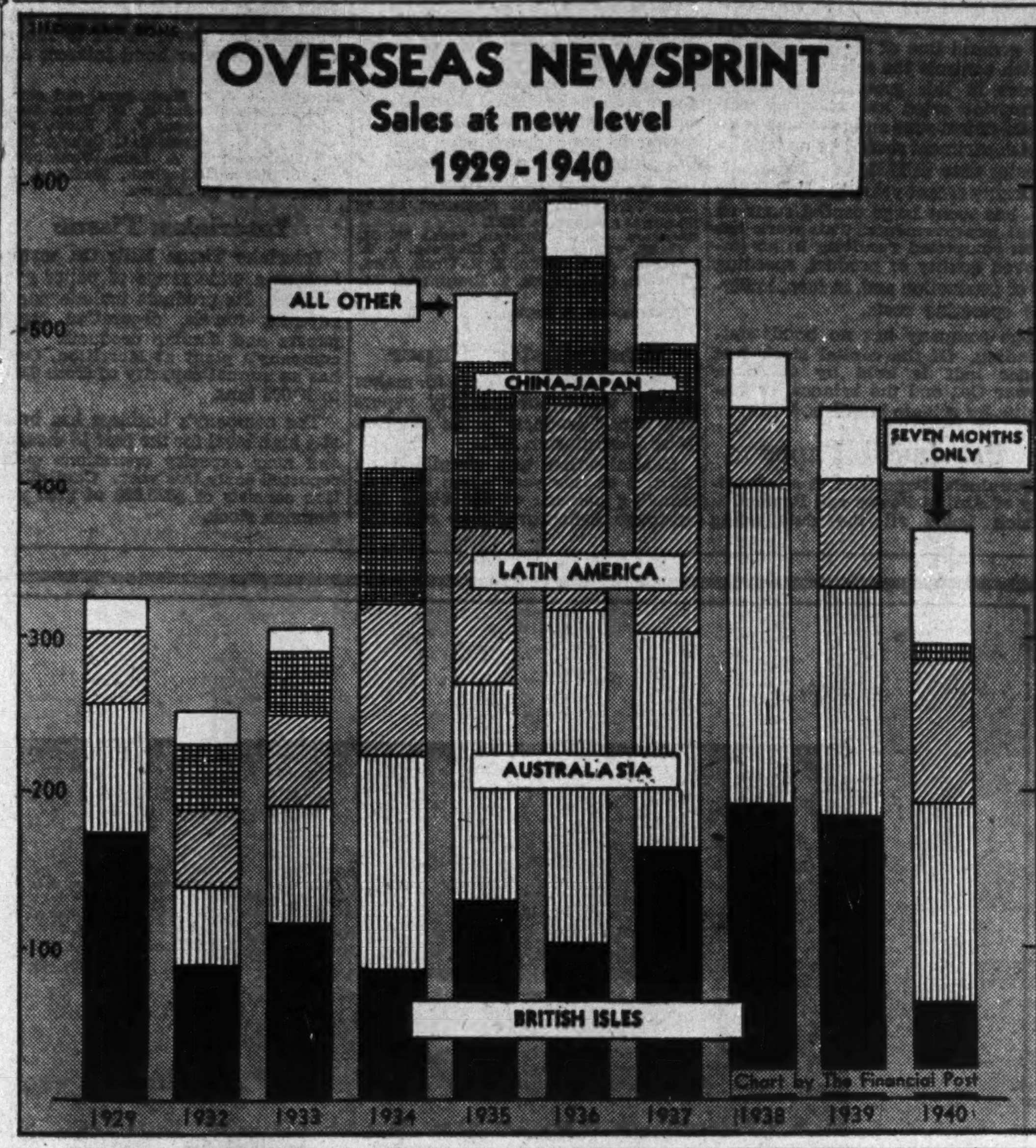


Chart by The Financial Post

Paper For Fiji

Fiji Islands use wrapping paper made in Canadian mills. Other unusual markets for this product are Palestine, Straits Settlements, British Honduras and Tobago.

More Read Newspapers

From 1920 to 1939 circulation of daily newspapers in the United States increased 42.7%, while that of Sunday papers moved up 84.5%.

Keep Close Check On Inventories

No Major Change in Position Despite Growth In Sales

Inventories of Canadian pulp and paper manufacturers have been fairly constant during the past two years. It is to be expected, however, that inventory values at the close of 1940 will be higher. This will be due primarily to the increase in pulpwood inventory made necessary by the larger volume of business. In other directions, however, the industry is expected to keep a tight check on stocks.

Taking a representative group of manufacturers—newsprint, fine paper and kraft — a tabulation of their inventory position at the end of 1939 shows aggregate supplies of $38.1 millions. This was roughly $3 millions less than in the preceding year,

Operators' Inventory Position
As at December 31

	000's Omitted		
	1939	1938	1936
Abitibi	$5,900	$6,300	$3,000
Brompton	1,180	1,380	437
Cons. Paper	7.897	10,274	5,840
Donnacona	1,257	1,459	507
Dryden*	268	244	211
Fraser	3,751	4,027	2,924
Great Lakes	1,476	1,941	690
Howard Smith	2,624	2,223	2,124
Lake St. John	1,802	1,982	1,028
Price Bros.	8,203	†7,661	▲3,473
Provincial Paper	1,229	1,218	977
St. Law. Paper	2,545	2,413	1.128
Total	38,133	41,121	24,738

*Years ended Sept. 30; †Mar. 31, 1939; ▲Mar. 31, 1937.

New York State Big Paper User

Consumes Three Times As Much Newsprint As All Canada

New York State consumes more than twice as much newsprint as any other state in the American union, or 3 times as much as all Canada for that matter, according to a survey of the American Newspaper Publishers Association. Based on the actual returns of 1,206 daily newspapers consuming 3,033,378 tons in 1939, New York State accounted for over 20% of the total.

A breakdown of newsprint consumption in the United States by States follows:

U. S. Newsprint Consumption by States

	Tons
Alabama	17,745
Arizona	4,305
Arkansas	8,818
California	221,149
Colorado	26,015
Connecticut	30,998
Delaware and Maryland	66,802
District of Columbia	58,219
Florida	32,352
Georgia	33,019
Idaho	3,277
Illinois	321,264
Indiana	56.453
Iowa	40,970
Kansas	16,584
Kentucky	25,679
Louisiana	33,769
Maine	8,529
Maryland (See Delaware)	
Massachusetts	171,521
Michigan	126,437
Minnesota	53,706
Mississippi	3,260
Missouri	112,495
Montana	3.419
Nebraska	20,084
Nevada	819
New Hampshire	2,707
New Jersey	49,886
New Mexico	1,978
New York	694,994
North Carolina	25,076
North Dakota	2.697
Ohio	158,606
Oklahoma	26.800
Oregon	24,908
Pennsylvania	256,581
Rhode Island	17,834
South Carolina	8,500
South Dakota	2.963
Tennessee	23,879
Texas	89,218
Utah	10,771
Vermont	1,815
Virginia	27,183
Washington	37,085
West Virginia	14,552
Wisconsin	55,327
Wyoming	920
Hawaii	3,410
	3,033,378

Sell More to U. S.

United States is Canada's largest market for newsprint. Last year the Dominion shipped to the States 2.2 million tons, or 83% of all exports of this commodity.

Leading Industry For Two Decades

Manufacture of pulp and paper has been consistently one of the most important industries in Canada during the last two decades. The industry ranks first with respect to wage and salary distribution, capital investment and net value of production. It is second to the non-ferrous metal smelting and refining group with respect to gross production and second to sawmills with respect to employment.

Canadian Publishers Using More Paper

Canadian consumption of newsprint paper in the past four years has averaged 196,000 tons annually. From current rate of purchases, it is estimated that Canadian buyers in 1940 will take about 210,000 tons.

The domestic market is the second largest outlet for Canadian newsprint operators. The United States alone takes around 80% of the total output, with the balance going to Canada, the United Kingdom, Australia and numerous other countries.

Ask about the Interlake Vertical Dispenser

Your Washrooms will be better —and your towel costs less—with

Interlake
PAPER TOWELS

INTERLAKE TISSUE MILLS CO. LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. Iroquois Falls, Ont.
Pine Falls, Man. Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

GUTTA PERCHA
THE STANDARD OF QUALITY

57 Years of Service to the PULP & PAPER INDUSTRY

RUBBER BELTS
Power Transmission — Conveyor — Elevator
BAND SAW BANDS
DECKLE BARS DECKER SLEEVES
BIRD SCREEN BANDS
BIRD SCREEN STRIPS
COUCH SLEEVES (SUCTION PRESS)
FLEXIBLE COUPLING PLUGS
DIAPHRAGMS GASKETS
MATS (DOOR) MATS (SWITCHBOARD)
MATTING PACKINGS
HARD RUBBER PIPE AND FITTINGS
HARD RUBBER PUMPS

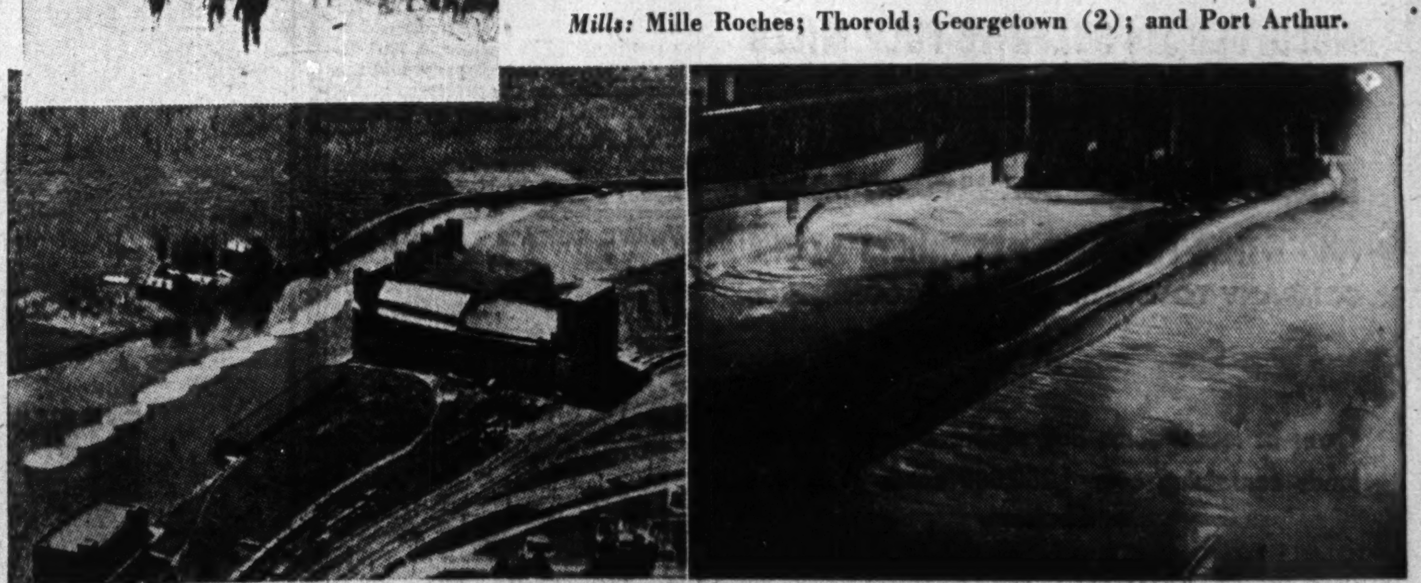
RUBBER HOSE
Acid — Air Drill — Air Jack — Blow Pit — Divers
Fire — Oil — Oxy-Acetylene — Pneumatic Tool
Pulp Grinder (Reinforced) — Sand Blast — Steam
Suction — Suction Box — Water
RUBBER LINED TANKS AND FITTINGS
RUBBER LINED PIPE AND FITTINGS
RUBBER LINED PUMPS
RUBBER SPRINGS
TRUCK WHEEL TIRES TUBINGS
VALVE DISCS (RADIUM)
RUBBER VALVES WASHERS
AUTOMOBILE & TRUCK TIRES & TUBES
RUBBER BOOTS RUBBER FOOTWEAR

GUTTA PERCHA & RUBBER, Limited TORONTO

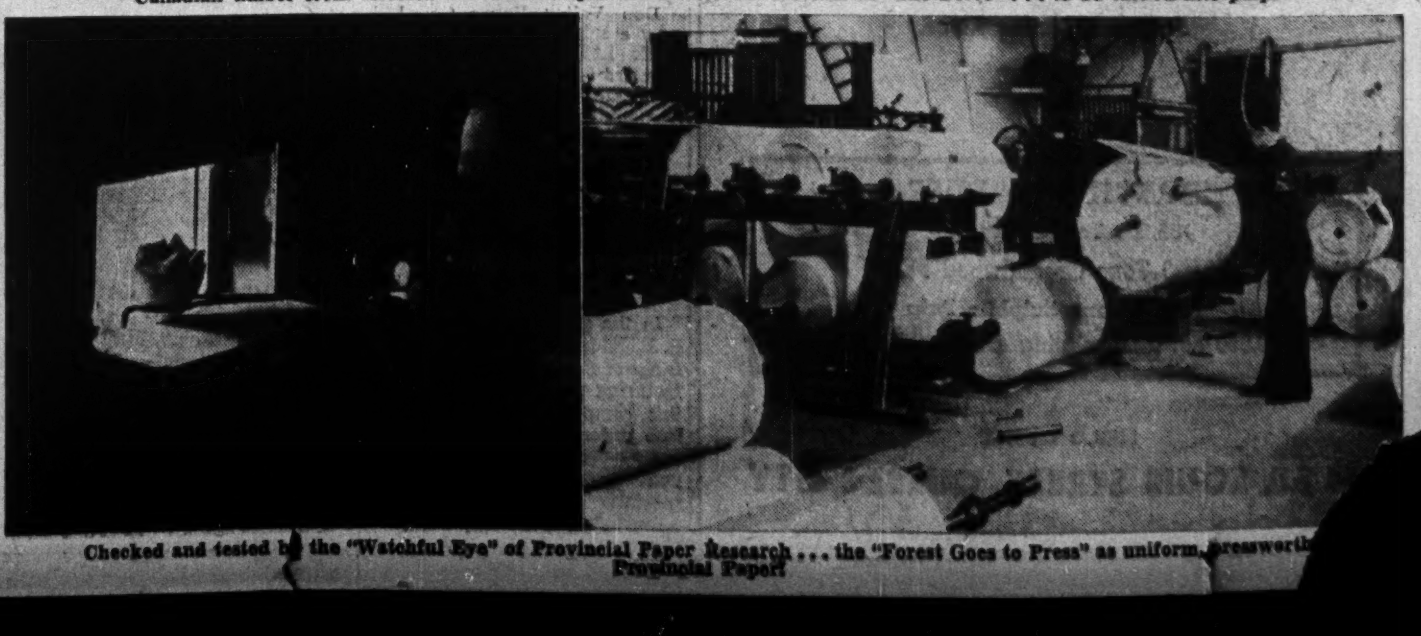
A FOREST GOES TO PRESS

For more than 30 years, the "Watchful Eye" of Provincial Paper Research has been checking each step from the felling of selected timber to the production of fine printing papers for books, catalogues, direct mail pieces, magazines, annual statements and other advertising purposes. Provincial Paper dealers are conveniently located throughout Canada.

PROVINCIAL PAPER LIMITED
Head Office: Toronto
Mills: Mille Roches; Thorold; Georgetown (2); and Port Arthur.



Canadian timber from selected Provincial Paper limits race downstream in "The Drive" . . . to be turned into pulp.



Checked and tested by the "Watchful Eye" of Provincial Paper Research . . . the "Forest Goes to Press" as uniform, pressworth
Provincial Paper!

ANGLO-CANADIAN
PULP AND PAPER MILLS LIMITED

Manufacturers of
NEWSPRINT PAPER
AND
UNBLEACHED SULPHITE
DAILY CAPACITY 580 TONS

Owns timber limits on Manicouagan, Sault-au-Cochon, and Montmorency Rivers, Quebec; owns and operates four-machine-mill at Quebec City.

Offices at Quebec City
Direct Communication With Both Canadian Railways
PRIVATELY OWNED WHARF AT TIDEWATER

Fine Paper Mills Rise to Task

War Needs Met Promptly But Prices in Check

Canadian fine paper manufacturers have experienced increased demand for their products over the past 12 months. The immediate outlook continues favorable and the financial returns for the current year should be above average.

While larger earnings are in prospect, it is difficult to say at this stage how much of the increase in revenue will accrue to the capital stockholders. The imposition of new taxes, especially the excess profits tax, promises to draw on a large part of the gain in gross revenue. However, in so far as net position is concerned, indications are that the individual operators will show an improved profit and loss statement.

Problem of Industry

The one big problem of the fine paper manufacturer in Canada is to produce all the kinds of papers required for the relatively limited quantities dictated by a comparatively small, but widely scattered population.

The fine paper division of the Canadian pulp and paper industry is dwarfed by the newsprint section. Because of that condition, investors generally have little appreciation of the difficulties which the fine paper manufacturers have to contend with.

The situation is well put by Harold Crabtree, president of Howard Smith Paper Mills, who points out that the newsprint manufacturer is able to calculate his cost well in advance and also to control these costs within very narrow limits. His materials are standardized and produced in mass quantities, while his production and sales are on the same basis. The fine paper manufacturer, on the other hand, has a large number of grades and his orders come from many sources. These have to be grouped in such a manner that an economical operating schedule may be planned.

Greater Marketing Problem

In the distribution of the respective products the differences between the two branches of the industry are even more marked. The newsprint manufacturer has comparatively few customers, practically all of whom are in a specific class and buy on a contract basis. The fine paper manufacturer, on the other hand, not only has to deal with the larger number of customers, but has to merchandise his products through many different channels and in addition has to render technical service.

About the only fundamental parallel existing between the two branches of the industry is that general business conditions affect both more or less alike. When business is good more people advertise and circulations grow, thus increasing the consumption of newsprint. By the same token, when business is good more office forms are used, more direct advertising is mailed and magazine consumption grows, this benefitting the fine paper manufacturer.

Better Financial Showing

While the manufacturing and distribution problems are much greater than in the newsprint section, fine paper manufacturers have made a much better showing financially than the newsprint or pulp companies. Their price schedules are more flexible, so that it is possible for them to take care of any untoward increase in the cost of raw materials.

The fine paper needs of Canada, with what little export business there is, are taken care of by a comparatively small number of operators.

Fraser Paper

There is only one fine paper manufacturer in the Maritimes, namely, Fraser Paper Co., subsidiary of Fraser Companies. Technically this is not a Canadian operator, as the mill is located in Madawaska, Me., and practically its entire output is for American consumption. There are six machines in the Madawaska mill capable of producing 155 tons of sulphite bond and waxing papers and 110 tons of catalogue paper daily.

There is no direct investment interest in this enterprise. The company has an authorized issue of $4 millions of first mortgage bonds, of which $2.5 millions have been issued and are pledged as part security for the parent company's bonds. In addition $7.5 millions of general mortgage bonds are also pledged as security for the parent company's bonds.

The financial returns of the company are consolidated with those of Fraser Cos. so that it is not possible to secure a breakdown of earnings. However, reports are that this unit has a recently well-established earning power and is a fairly important revenue producer for the parent company.

Directors — Col. K. S. Maclachlan, pres., Montreal; Donald Fraser, vice-pres., Plaster Rock; Harold Crabtree, A. H. Campbell, A. M. Irvine, H. P. Thornhill, Montreal; S. F. Duncan, Toronto; F. C. Beatteay, Saint John, N.B.; Hon. R. B. Hanson, Fredericton. **Vice-pres. & Gen. mgr.** — Aubrey Crabtree. **Vice-pres., compt., treas. and sec.**—L. M. Sherwood.

Rolland Paper

Quebec is the centre for two of the principal fine paper producers in the Dominion, Rolland Paper Co. and Howard Smith Paper Mills.

Rolland Paper, which operates two mills, one at Mount Rolland and the other at St. Jerome, enjoys a well-established business. Throughout the depression years the company maintained its net working capital position, while since then both revenues and net earnings have moved ahead. Currently sales are on a better basis than a year ago. The expectation is that the financial statement for 1940 will show an improvement over 1939 when the company reported a gross income of $518,861.

Last year Rolland Paper reduced its dividends from $1 to 60 cents a share on the common stock. This did not reflect an impairment in earnings power, but rather expenditure of some $300,000 on increased capacity at the St. Jerome Mill. The work was completed earlier this year and, as a result, capacity of the plant was increased by about 25%.

Directors—Jean Rolland, pres., Montreal; J. Pierre Rolland and Hugh Mackay, vice-pres.'s, Montreal; Olivier Rolland, Mt. Rolland, Que., mill executive; J. A. Raymond, J. A. Weldon, J. B. McCarthy, Montreal; Jean Paul Rolland, St. Jerome, Que.; J. Y. Murdoch, Toronto. **Sec.-treas.**—J. A. Forget.

Howard Smith Paper

Howard Smith Paper Mills and its subsidiaries represent one of the largest producers in Canada of fine papers. The company owns plants at Cornwall, Beauharnois and Crabtree Mills and in addition has controlling interests of Canada Paper Co., Alliance Paper Mills, Federal Paper Co. and Howard Smith Chemicals. These subsidiaries operate at Windsor Mills, Cornwall and Merritton. Collectively the Howard Smith units have a larger capacity of fine papers than any other manufacturer in the Dominion.

The outbreak of war resulted in a larger demand for the company's products and consolidated operating profits for 1939 were just over $3 millions compared with less than $2.3 millions in the preceding year. The 1939 figure was higher than in any other year since consolidated statements were first published in 1930. Earnings on the common stock were $3.10 a share as against $1.59 in 1938.

For the first six months in 1940 earnings were ahead of the same period in 1939; mills operated at capacity during the period and indications are that operations will be maintained. Earnings for the full year, however, depend upon the impact of war taxation. Prices of the company's products were increased at mid-year, the increases ranging from $5 to $10 a ton. The price advance, together with the increased volume of business, should enable the company to absorb the additional taxes and maintain profits at as high a level, if not higher, than in 1939.

Financially Howard Smith Paper Mills has brought about an improvement in its position. Since 1933 net working capital has improved from $1.9 million to over $3.3 millions. Current bank loans have been eliminated, while a deferred bank loan of $1,250,000 in 1937 has been reduced to $250,000 and will be paid off in 1941.

The experience of the subsidiary companies has been equally favorable. No financial statement is issued by Alliance Paper Mills, but Canada Paper Co. has improved earnings on its preferred stock from a deficit of 88 cents a share in 1933 to a profit of $24.19 a share in 1939. In the latter year the company paid the full dividend on the preferred stock, all of which is owned by Howard Smith Paper Mills.

The other subsidiary, Howard Smith Chemicals, is making satisfactory progress. This company was incorporated in 1936 to manufacture Vanillin, which is used as a base for flavoring extract and made from waste sulphite liquor from the parent company's plant. Operating profit, before depreciation, for 1939, was $6,739 compared with $1,175 in 1938.

Directors — Harold Crabtree, pres.; E. Howard Smith, vice-pres.; Montreal; G. W. Pauline, vice-pres.; J. H. Gundy, C. L. Burton; Toronto; Sir Herbert Holt, DeGaspe Beaubien, W. A. Arbuckle, Howard Murray, J. D. Johnson, G. M. McKee, W. D. Robb, W. H. Howard; Montreal; George Chahoon, Jr., Grand' Mere, Que. **Vice-pres.**—E. K. Robinson. **Sec.-treas.**—K. G. Pendock. **Asst. sec.-treas.**—M. G. Peterkin.

Don Valley Paper

Don Valley Paper Co., Ltd., is now a subsidiary of Alliance Paper Mills Ltd., itself a subsidiary of Howard Smith Paper Mills Ltd. In 1939 Alliance acquired Don Valley through exchange of shares of Howard Smith and some cash.

The plant of Don Valley Paper is on the Don Mills Road, Toronto. It has a capacity of approximately 10 tons of specialty paper daily. Products include blotting paper.

E. B. Eddy

In the same economic area is the E. B. Eddy Co., whose plant at Hull is one of the largest and oldest manufacturing fine papers. Activities of this company are not confined to fine paper. The company also produces newsprint and other pulp products. However, the fine paper and specialty division represents the company's major interest.

Both sales and earnings for the current year are reported on a better basis than in 1939. This follows the general line of business activity which controls the sales of all companies in this group. In addition, newsprint sales are running well ahead of last year and revenues from this department should be materially greater than in 1939.

During recent years the E. B. Eddy Co. has spent large capital sums on plant improvements. This work has been completed resulting in an improved quality of product, speeding up of production and, in turn, lowering operating costs.

The company has no bonds outstanding. Of the capital stock just under half is held by Gatineau Power Co., and the balance, or majority, by private interests.

Provincial Paper

Provincial Paper Ltd. is a subsidiary of Abitibi Power and Paper Co., which holds all the outstanding common shares. In addition to its common shares, Provincial Paper has $3.4 millions of 5½% first mortgage bonds and $3.5 millions of 7% preferred outstanding.

It manufactures and distributes high-grade book, bond, coated and writing papers. Manufacturing operations are carried on at the four plants, having a total capacity of 190 tons per day.

In 1939 the company earned $9.82 a share on its preferred stock and 99 cents a share on its common. Regular dividends have always been paid on the preferred since it was issued in 1927. Dividends on the common have been irregular, last payment being 90 cents a share in 1937.

Directors —S. F. Duncan, pres.; W. H. Smith, vice-pres.; G. T. Clarkson, L. R. Wilson, A. F. White, E. R. Wood, Alex. Fasken, G. S. Niven, T. Broadhurst, Toronto. **Sec.-treas.**—W. S. Barber.

Westminster Paper

Westminster Paper Co. Ltd. makes a wide variety of specialty papers and paper products in its plant at New Westminster, B.C.

Capitalization was simplified on April 1 of this year when the outstanding balance of the 6½% first mortgage debentures was redeemed at 103. Only a small loan was necessary to complete this operation.

Net sales of $1.2 million in the year ended Jan. 31, 1940, were up slightly from the preceding year. Out of earnings per share $2.97 on the common, the company is paying 50 cents annual dividends at present. The company has never failed to report a net profit after bond interest and other expenses.

Directors — J. J. Herb, pres. and chm., Bellingham, Wash.; E. M. Herb, vice-pres. and gen. mgr.; F. F. Foote, sec.-treas.; J. G. Robson, R. C. Onkels, New Westminster; S. A. Lake, Vancouver; F. J. Herb, Bellingham, Wash.; J. L. Sangster, F. H. Jackson.

Interlake Tissue

Interlake Tissue Mills Co. manufacture a wide range of paper specialties. Its products include paper napkins, towels, decorative crepe papers and similar products. The company's plant at Merritton, Ont., has an annual capacity of from 9,000 to 10,000 tons.

The company's business has been at a high level for the past 18 months and near capacity operations were reported early this year. Capitalization consists of $625,000 of $100 par common stock.

Fine Papers

Stocks:

	Outstand. $	Earned Per Share 1939 $	Earned Per Share 1938 $	Price Range 1939-40 High	Price Range 1939-40 Low	Last Price
E. B. Eddy:						
Common, par $100	300,000	Not available		....	....	....
Howard Smith Paper Mills:						
Pref. cum. red. par $100	6,361,600	22.37	14.38	106	85	100
Common, n.p.v.	332.836 shs.	3.10	1.59	23¼	10	15½
Dividend Rate: On pref. $6 per annum.						
Interlake Tissue Mills:						
Common, par $100	625,000	Not available		....	....	....
Provincial Paper:						
Pref cum. par $100	3,500,000	9.82	6.92	....	....	....
Common, n.p.v.	*1,000,000 shs.	0.99	d0.03	....	....	....
*Entire issue held by Abitibi Power & Paper Co.						
Dividend Rate: On pref. $7.						
Rolland Paper:						
Pref. cum. par $100	1,500,000	13.08	8.46	102½	85	85
Common, n.p.v.	60,001 shs.	1.77	0.62	19½	7	13
Dividend Rate: On pref. $6; common 60 cents per annum.						
Westminster Paper:						
Common, par $10	477,890	*2.97	*1.84	11	10¼	11
*Years ended Jan. 31, 1940 and 1939.						
Dividend Rate: 50 cents per annum.						

Bonds:

	Int. Rate %	Maturity	Outstand. $	Times Int. Earn. After Deprec. 1939	Times Int. Earn. After Deprec. 1938
Howard Smith Paper Mills:					
1st Mtge. Serial A	3-4	1940-46	2,250,000	6.89	4.26
1st Mortgage A	4¼	1951	3,300,000		
Provincial Paper:					
1st Mtge. Series A	5½	1947	3,400,000	3.40	2.34
Rolland Paper:					
1st Mtge. Series A	3½	1940-42	225,000	3.81	2.75
Do., Series A	4	1943-46	300,000		
Do., Sink. Fund	4½	1951	1,400,000		

DONNACONA PAPER
COMPANY, LIMITED
Operates
WOODPULP and SULPHITE PULP MILLS
and Manufactures
NEWSPRINT » DONNACONA BOARD
AND OTHER PULPWOOD PRODUCTS AT THE COMPANY TOWNSITE OF DONNACONA, P.Q.

●

Owns or leases some 859 square miles of timber lands containing over 4,250,000 cords of spruce and balsam.

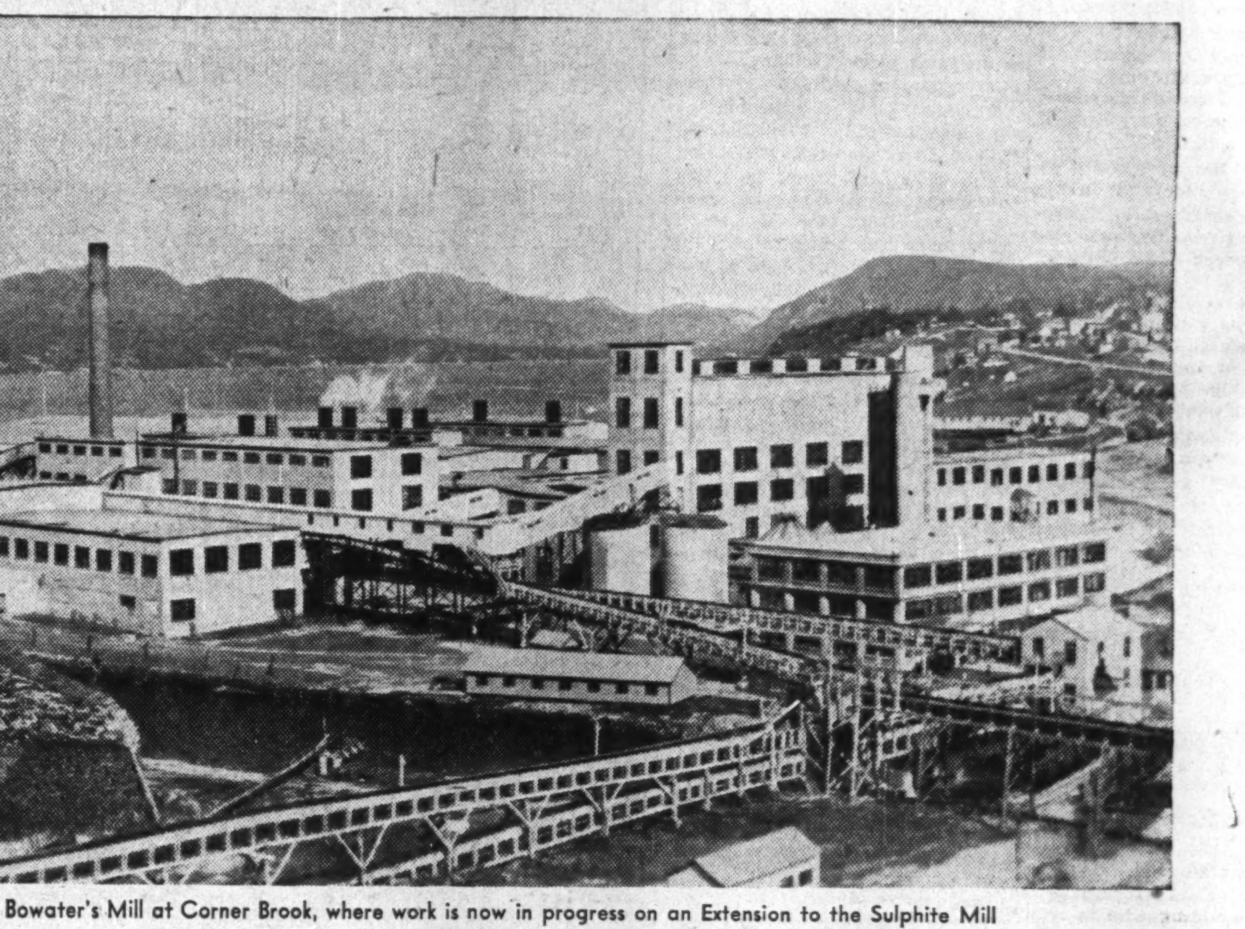
Owns valuable waterpower on Jacques Cartier River.

●

CAPACITY OF MILLS
85,000 Tons Newsprint
96,000 Tons Groundwood Pulp
35,000 Tons Sulphite Pulp
50,000,000 sq. ft. Insulating and Building Board

HEAD OFFICE
4 ST. LOUIS STREET, QUEBEC CITY

Niagara Wires
MODIFIED
LONGCRIMP
FOURDRINIER WIRES
Canada's Standard
for
Quality Newsprint
The Wire the whole World has copied
made by
Niagara Wire Weaving Company Ltd.
NIAGARA FALLS - ONTARIO
Largest Makers of Newsprint Wires in the World



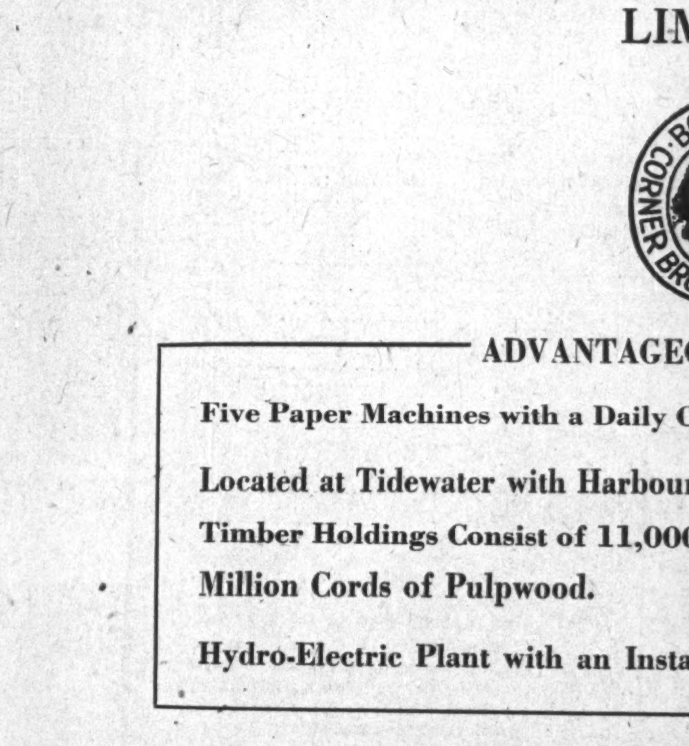
The Bowater's Mill at Corner Brook, where work is now in progress on an Extension to the Sulphite Mill which will add 100 tons to the daily capacity.

BOWATER'S
NEWFOUNDLAND PULP AND PAPER MILLS
LIMITED

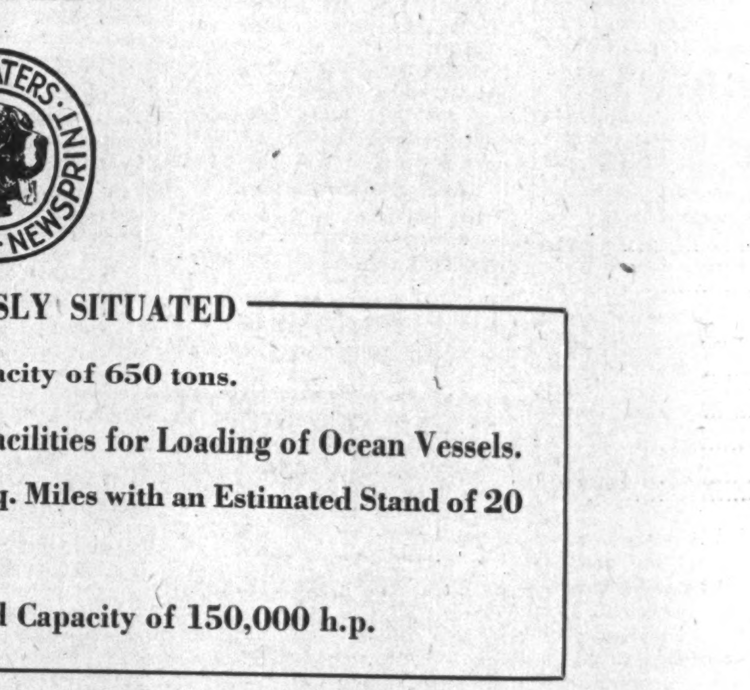
BOWATERS · CORNER BROOK · NEWSPRINT

ADVANTAGEOUSLY SITUATED
Five Paper Machines with a Daily Capacity of 650 tons.
Located at Tidewater with Harbour Facilities for Loading of Ocean Vessels.
Timber Holdings Consist of 11,000 Sq. Miles with an Estimated Stand of 20 Million Cords of Pulpwood.
Hydro-Electric Plant with an Installed Capacity of 150,000 h.p.

CORNER BROOK, NEWFOUNDLAND



One of the company's modern steamships for carrying newsprint to the markets of the world.



Deer Lake Hydro-Electric Plant. Installed capacity 150,000 h.p.

Week in Mining

Mining Market Stronger With War Loan Closed

Junior Golds Attract Most Attention as Mine Share Prices Higher and Volume Once More Forging Ahead — U. S. Metals Active

Following announcement of the oversubscription of Canada's second war loan, the mining market again displayed some of the strength shown earlier this month, with junior golds particularly active. Prices were firm at higher levels, while an increase in volume again gave evidence the public is taking a greater interest in the buying of mining shares.

High yields and growth possibilities of junior golds are given as the chief things interesting the cautious investor of September, 1940, but there is also considerable attention being paid to the possibilities of new disclosures in the Savant Lake and Missanabie areas. As new mines are the lifeblood of the gold mining industry, discoveries are always important.

* * *

Backing the War Loan

Mining companies responded generously in putting the second war loan over the top. After their initial subscriptions, many companies increased the amount taken to make the loan a success.

The Canadian Institute of Mining and Metallurgy, Toronto, subscribed $3,000. While the amount was not large compared with the million-dollar subscriptions of several of the mines, it represented almost 75% of the Institute's assets and on this basis was a handsome contribution to the war effort. The annual meeting of the Institute has been called for Sept. 26 at 6.15 p.m. Following dinner, a motion picture is to be shown on the mining, smelting and refining of copper and nickel ores.

* * *

Companies Prospecting

One of the significant developments of the current prospecting season has been the number of discoveries made by prospectors in employ of the larger operating mining companies. As the public has been "out of the market" until recently, the larger mining companies have apparently been taking an increasingly active interest in field operations.

In the Missanabie field, Macassa Mines had the original discovery. Other larger companies such as Mining Corp. secured locations. In the Savant Lake field, Northern Canada Mines holds the discovery property with Mining Corp., Moneta and St. Anthony Gold Mines interested in other properties in the area.

* * *

A Pioneer Passes

Fred La Rose, silver discoverer at Cobalt, is dead. His find ushered in a new era in Canadian mining; the founding of a mining industry in this country owned and operated by Canadians.

Many stories are told about how the first discovery of silver was made by La Rose, an almost legendary character. One of the best known, is that La Rose made the discovery while working as a blacksmith on the railway being put through the Cobalt area. Kicked by a recalcitrant mule which did not take kindly to shoeing, La Rose retaliated by throwing a hammer. Missing the animal, the hammer knocked off a piece of rock revealing silver ore.

* * *

A Significant Find

That La Rose story may be fiction but there is no doubting the significance of his find. The Timmins interests founded their fortunes on the profits won from the La Rose mine. Profits realized from La Rose were later used to open up the Hollinger mine, now the largest gold producer in Canada. Hollinger profits were in turn used to finance erection of the Noranda smelter.

The success of Noranda in opening up further mines is, of course, well known. Waite Amulet, Pamour Porcupine, Hallnor, Aunor and La India are just a few of the companies financed by Noranda money.

La Rose's discovery will go down in history as an epoch-making Canadian event.

* * *

Higher Metal Exports

Exports of metals to the United Kingdom continue to show the increasingly important role being played by the Canadian base metal mining industry in the war effort. Copper, lead, nickel and aluminum exports to the United Kingdom in the five months from April to August, inclusive, showed an increase of $9.5 millions over the same period of last year with a total of $47.4 millions against $37.9 millions.

The rate of increase in August was even higher than in preceding months. Exports to Great Britain last month were $10.4 millions compared with $7.1 millions in August last year. Separate figures have not been given for each metal since the first quarter of 1940.

* * *

U. S. Copper Strong

Evidence is beginning to accumulate that demand for copper is rapidly overtaking the supply available in the United States. Producers last week were doling out copper, refusing to fill orders in full at the 11½ cents a pound being asked. The same "rationing" was also being followed with zinc. Copper was boosted a half cent early this week.

That sales of copper in the United States during September will constitute a new record for the month is believed certain. Up to Sept. 19, 170,362 tons of copper had been sold compared with 183,877 tons for all of September last year. With sales on Sept. 20 anywhere from 25,000 to 50,000 tons, sales seemed to be increasing rather than diminishing. Britain continues to buy a large quantity of brass in the United States and this is a factor causing strength in the copper market.

Dividend Mooted For Naybob

Declaration of an initial dividend by Naybob Gold Mines around the end of the present year is a good possibility, The Financial Post is informed.

While no amount has yet been fixed, the first distribution may be two cents a share which would require less than $90,000 on the present outstanding capital. With working capital on hand approximately $175,000 at the end of August, such a dividend could readily be paid.

Minewise the property is reported to have been working into better shape with encouraging new ore disclosures in recent work.

Brock Gold Mines To Sink Shaft

Company's South Ore Zone on Strike of Upper Canada Ore Zone

Shaft sinking is scheduled to get under way shortly at the property of Brock Gold Mines in the east Kirkland Lake area, adjoining Upper Canada Mines on the west.

Plans call for putting down the shaft to a depth of 625 ft. with levels established at 250, 375, 500 and 625 ft. Initial underground work is scheduled for 625-ft. horizon. The shaft has already been sunk to 40 ft. by hand steel.

Headframe Erected

The headframe has been erected and the mining plant is installed ready to operate. The blacksmith shop and powerhouse are now being completed.

Interest in the property centres around the fact that it covers the projected extension of the Upper Canada ore zone. Shaft is located between two ore zones found by drilling on the Brock property. As the south zone appears to lie on the strike of the Upper Canada zone, it is planned to explore it first and the shaft has been sited to facilitate this. The south zone has been explored by drilling for a length of 1,100 ft. while the north zone, which lies about the centre of the property, has been tested for a length of approximately 2,000 ft.

Amalgamated Kirkland To Be Opened Up

An agreement has been completed between Amalgamated Kirkland Mines and Macassa Mines which will allow underground exploration of the Amalgamated Kirkland property, it is stated.

Under the agreement, Macassa Mines will drive a crosscut some 3,500 ft. to the south from its No. 1 shaft to intersect the favorable ground under the Amalgamated workings. Development will be under the direction of Macassa Mines which is jointly interested in the programme with Ventures Ltd.

Wendigo Secures Capital Cut

Clears Way For Initial Dividend of 3 Cents a Share on New Stock

A reduction in authorized capital from 4 to 2 million shares was approved by shareholders of Wendigo Gold Mines at a meeting held early this week. After supplementary letters are obtained one new share will be issued for each two shares now outstanding. This calls for issue of 1,749,405 new shares.

After the new shares are issued directors plan to declare an initial dividend of 3 cents a share, involving a distribution of over $52,000. This will be paid out of liquid assets which now total between $285,000 and $300,000. No fixed policy has been determined for payment of future dividends.

Open Further Ore

The new ore zone opened up to the east on the 500-ft. level has now been opened up on the 650 and 800-ft. levels where it shows good values, it is stated. Drifting toward this ore zone is now going ahead on the 950-ft. level to test for its farther downward continuation.

The ore zone which was outlined for 330 ft. on the 500-ft. level, giving widths of 3 ft. in drifting, is reported to be stoping out very well with widths up to 5 ft. Values are holding around $12 a ton. Drifting is continuing to the east on this level toward a high-grade showing which was previously outlined on surface at a point 200 ft. or more ahead of the present face. The mine has between one and two years ore ahead of it at the present time which is insufficient to warrant installation of power, shareholders were informed.

Preston Finds Ore to North

Holes From Third Level Raise Give Impressive Ore Indications

Routine exploratory drilling of Preston East Dome Mines during August returned some interesting ore intersections to the north above the third level. One flat hole completed from the 326 raise returned 65 ft. of core averaging 0.34 oz. while another flat hole from the same raise gave two sections of 14 ft. running 0.3 oz. and 11 ft. averaging 0.22 oz.

These intersections indicate the downward extension of ore previously located on the first and second levels. The two holes mentioned returned the best values of those drilled from the raise but values were plentiful with two other holes yielding 10 ft. averaging 0.82 oz. and two 5-ft. sections in another hole ran 0.14 oz. and 0.18 oz.

Mining High Grade

During August selective mining of higher grade parts of the 6th level quartz stopes was continued and the 601 west high grade stope broke through to the sub-stope in three places, leaving very little high grade ore below the sub-level drift elevation. To maintain output, it is stated that it will be necessary to mine selectively the higher grade vein only above the sub-drift. Stringer zones and lower grade vein will be left for future stoping.

Mining of 1,026 tons of high-grade ore from the 601 west stope averaging 2.09 oz. uncut or 0.67 oz. cut and 887 tons from 608 stope, also high grade, allowed the company to boost August recovery over the $200,000 objective at $209,522. A total of 16,009 tons of ore was milled with recovery averaging $13.09 a ton.

Costs Are Higher

Costs showed an increase of approximately 10% in August with operating costs $3.58 a ton. Higher costs were stated to be due to increased development and diamond drilling which included commencement of work on deeper levels. Mining costs were also somewhat higher due to increased work in narrow contorted quartz veins above the 6th level.

At the 5th level 503 east shift was carried 116 ft. toward a high-grade drill intersection. Work was on a narrow banded quartz stringer a few inches wide practically all the way. It appears to be a flat extension of 503 vein.

Work on the new block of six lower levels is not yet far enough advanced to give details of results obtained. The drive toward the New Augarita property is now in over 125 ft., it is stated.

Work at Senator Makes Progress

Milling at Arntfield Expected to Start Between Oct. 1 and 15

Preparations for placing Senator-Rouyn on a producing basis are proceeding according to schedule and it is anticipated that milling at the Arntfield mill will start somewhere between Oct. 1 and Oct. 15, The Financial Post is informed.

Work is progressing steadily on the Senator-Arntfield road. Digging is proceeding to provide a footing for the new headframe. A large amount of new equipment has been ordered and some of it has already reached the property.

Now Preparing Stopes

Preparation of the mine for delivery of ore is progressing quite well, it is stated, and four stopes have been started. Eight box holes have been constructed in raises and three others started but none of the box holes have been connected together with raises as yet to prevent any more ore being placed on the dump than is necessary.

Revenue from the milling at the Arntfield mill is expected to defray a considerable portion of the cost of the new 300-ton mill to be erected. It is anticipated that a higher than mine average grade of ore will be shipped to the Arntfield mill for treatment.

Vicour Dewaters Mine Following Drilling

Following considerable diamond drilling from surface, dewatering the workings of Vicour Gold Mines has been started. Exploration is under the direction of engineers of Siscoe Gold Mines with Consolidated Mining and Smelting Co., Inspiration, Siscoe and Anglo-Huronian providing the finances.

After dewatering has been completed, resampling the workings will take place. The property has been opened up by a shaft to a depth of 175 ft. with considerable lateral work completed.

Under the financing agreement a total of $25,000 was to be spent with further work to be paid for through options on 2,000,000 shares of stock at 37½ cents a share.

GOLDEN GATE OUTPUT DOWN

Production of Golden Gate Mining Co. showed a considerable decline in August amounting to $16,741 from 2,165 tons of ore milled for an average recovery of $7.73 a ton. In the previous month, $20,845 was recovered from milling 2,040 tons of ore for an average recovery of $10.22 a ton.

SPUD VALLEY DIVIDEND

A dividend of 2 cents a share has been declared by Spud Valley Gold Mines, payable Oct. 10 to shareholders of record Sept. 30. An initial dividend of similar amount was paid July 10.

DELIST COSMOS PREF.

Cosmos Imperial Mills 5% cumulative redeemable sinking fund first preferred shares have been removed from trading on the Toronto Stock Exchange. The stock is being redeemed at 105 on October 1.

Week in Oils

Oil Controller in West

From Our Own Correspondent

CALGARY.—Canada's oil controller, George R. Cottrelle, has been here to study at first hand the problems of the industry and to consider the various steps that might be taken to utilize the nation's oil resources to the greatest possible extent in the Dominion war effort.

He spared little time for talk, but what he did say, however, was significant. "I want to find out definitely the efficient crude oil production of the Turner Valley field, not only day by day, but year by year, and see if I can balance production and consumption."

Of what steps he might take to increase oilfield development and ensure year-round maximum production Mr. Cottrelle had little to say other than that the programme would not be decided on until after his present survey is completed.

* * *

Drilling Speeded Up

Mr. Cottrelle's survey of western oil fields will make at least one thing clear to him. Oil operators, both large and small, are not standing idly by waiting for government assistance to speed up the drilling programme. Activity, both in Turner Valley and in wildcat areas, is already on the increase.

A survey of Turner Valley shows 19 wells making footage, with at least another 14 wells located and preparing to spud in. Another well, shut down at 3,000 ft. some months ago for lack of funds, is re-rigging and preparing to resume drilling. Production from the field's 117 wells on quota is running nearly 27,000 bbls. per day, with completions coming fast enough to maintain production at this rate continuously.

Outside of Turner Valley activity is showing a decided increase. Six groups, including three major oil companies, are preparing to spud in test wells on five widely scattered structures. Drilling activities are now under way on 11 other structures, on the foothills and plains of Alberta and in the Peace River block of northeastern British Columbia.

* * *

Steveville Development

Continuing its development programme in the Steveville area, 125 miles east of Calgary, Standard Oil of British Columbia has staked location and started work on its C.P.R.-Princess No. 2 well. The new well is in L.S.D. 3 13-20-12w4, three miles southeast of the C.P.R.-Princess No. 1 well and about five miles west of the Anglo-Canadian-Steveville No. 2 gas well.

Powerful Diesel-electric rotary equipment is now being moved into location by the contractor, the Dominion Drilling Co. Fuel for the new test will be obtained from the Princess No. 1 well. Various difficulties were encountered at the No. 1 well which made it impossible to obtain very satisfactory results, but the oil and gas encountered is considered to have substantially improved the outlook for future development in the Steveville area.

* * *

Blood Indian Location

Location for Northwest-West No. 1, first of at least two wells to be drilled by the Northwest Co. on extensive holdings on the Blood Indian Reserve recently acquired from West Petroleums, has also been staked.

The well will go down in L.S.D. 3 20-5-23w4, about 23 miles southwest of Lethbridge. A new heavy-duty rotary rig is being imported. Pending its arrival, preliminary work at the location is under way. The Madison limestone objective is expected between 5,000 and 6,000 ft.

* * *

Moose Dome Active

On the Moose Dome structure, 40 miles southwest of Calgary, two ventures are preparing to get under way. The McColl-Frontenac Oil Co. has completed road into its location in L.S.D. 9 6-23-6w5, and the contractor is now preparing to move in heavy-duty rotary equipment. The well is located on the northerly part of the Moose Dome Devonian limestone structure.

On the southerly part of the structure the Dome Oil & Gas Syndicate is erecting derrick and hauling in cable tool rig for its first well, to go down in L.S.D. 4 16-22-6w5. This well is on acreage subject to 7½% gross royalty to the British Dominion Oil & Development Corp. and is being drilled with a rig leased from British Dominion.

* * *

Willow Creek Venture

Thirty miles due south of Turner Valley, a Vancouver-financed group, Oilfield Development Co., is rigging and preparing to spud in its first well on the Willow Creek structure. The well, in L.S.D. 7 7-13-2w5, is to be drilled with cable tools. It is 18 miles due south of the A. P. Con-Sheppard Creek well, which topped the Madison limestone recently at 5,483 ft. and is now drilling near completion in the lime. The Willow Creek venture is expected to reach the lime around 3,200 ft.

* * *

New Conservation Board

Appointment of a new chairman and a new member to the Petroleum and Natural Gas Conservation Board was approved by the Alberta Cabinet last week. The new chairman is Robert E. Allen, California petroleum engineer, recommended to the Provincial Government as a conservation expert by the petroleum division of the United States Government. His appointment is for a five-year period, at an annual salary of $10,000.

The new Board member is J. J. Frawley, solicitor for the Attorney-General's Department, and the chief counsel for the province at the lengthy McGillivray Commission investigation into all phases of the Alberta oil industry. The third member of the Board is Fred G. Cottle, the only remaining member of the original Board set up in September, 1938.

Elmos Shareholders Approve Option

Granting an exclusive option on the company's assets to Tombill Gold Mines was approved by shareholders of Elmos Gold Mines at a special meeting held this week.

If the option is exercised, Elmos shareholders will receive one new share of Tombill for each five shares of Elmos now held. Option expires on Dec. 31, 1940. Approval was also given at the meeting for the surrender of the Elmos charter in the event that Tombill does exercise its option.

WATERWAYS AGREEMENT

According to a release of the Ontario Securities Commission, Waterways Copper Mines optioned 1 million shares to W. S. Pratt and A. C. McLean on Aug. 26 in blocks of 250,000 shares each at 5, 6, 8 and 10 cents a share payable 30,000 shares every 30 days until 250,000 shares have been taken down with balance over 12 months.

Explore Camrock By Jason Drift

Drive to Be Put Out at Cost of $7 a Foot to Test Showings

Underground exploration of the property of Camrock Mines, adjoining Jason Mines, is scheduled to get under way shortly, following completion of a contract for drifting from the Jason workings.

Drifting from Jason will be done at a cost of $7 a foot, estimated to be about half cost. Jason is willing to do the work on this basis as it allows cheap exploration of the Jason property up to the Camrock boundary.

Has Jason Vein

Showings on the Camrock property are felt by the management to fully justify the new work programme. The main No. 1 vein on the Jason property was originally located on the Camrock property and drifting will be carried along it to the Jason boundary and on into Camrock ground a minimum distance of 200 ft. Altogether 600 ft. of drifting will be done from the Jason workings under the contract. Jason has the option of drifting on the second or third level. If further drifting is desired after that time, it is to be carried out on a cost basis.

From the Camrock viewpoint, the drifting contract obviates the need for putting down a shaft and purchase of equipment which would cost in the neighborhood of $125,000. If ore is opened up in underground work, the Jason management is willing to consider treating it on a custom basis.

Authorized capital of Camrock is 3 million shares of which 1,040,005 were issued on Aug. 12. The property comprises a total of 18 claims adjoining Jason Mines on the east. Ten of the claims are patented. Jason's shaft is located on the boundary of the two properties and values were shown in drilling near the shaft location.

Mosher Claim Sale Adjourned Week

Ventures Head States Proposed Deal Not Good Enough

Proposed sale of two Mosher claims to MacLeod-Cockshutt Gold Mines for 30,000 MacLeod shares failed to secure approval of shareholders of Mosher Gold Mines at a special meeting this week and the proposal has been adjourned for a week.

Previously it had been reported to the Toronto Stock Exchange that 30,000 MacLeod-Cockshutt shares would be issued for these two claims, which cover the projected western extension of the MacLeod ore zone.

"Not Good Enough"

The opinion of Thayer Lindsley that the deal was not good enough, as voiced by A. Kelso Roberts, caused the delay in proceedings. Mr. Lindsley, president of Ventures, reported that Ventures holds 81,000 Mosher shares and that in addition he also holds a proxy for a substantial amount.

While it is not known now if the MacLeod ore zone does extend into Mosher ground, Mr. Roberts reported that should ore be located on Mosher ground in the future, the deal would have proved to be unwise. The MacLeod-Cockshutt option to purchase the two claims expires 30 days from September 11.

Mining Enquiries

Matachewan Consolidated

Have recent operations of Matachewan Consolidated been profitable? I have had shares in the company for some years but little information seems available on what is happening.

Matachewan Consolidated Gold Mines has been able to realize a fair operating profit by treating a large tonnage of low-grade ore in recent years. At the end of 1939, there was about three years ore ahead of the mill or approximately the same amount as at the end of the previous year.

While maintaining the ore position has been found rather difficult at Matachewan Consolidated, some new ore has been found in depth development and the outlook is perhaps a little brighter than a year ago.

The company has a good treasury position with working capital at the end of 1939 amounting to $506,997 or the equivalent of about 15 cents a share. Recently it has been reported that the company is participating in financing Hoyle Gold Mines which plans to commence operation with a 500-ton mill by the end of the current year.

Aunor Gold Mines

Are profits of Aunor Gold Mines running as high as anticipated when milling started last January?

Profits of Aunor Gold Mines are now running much higher than was expected before the company's mill was completed. This is due to the management treating a relatively high grade of ore to give the Dominion a big output of gold.

Before milling commenced, it was thought that recovery might average around $10 a ton but recently recovery has been running closer to $16 a ton, it is understood. Officials do not expect that this level of recovery can be maintained over any extended period but milling of better than average grade ore may be expected to continue for some time at least.

Besides being patriotic, production of gold in large quantities by Aunor at this time appears to be good business. High profits are being realized in the three-year period when operations are exempt from corporate tax. Unlike many mines, the company can draw rich ore from certain stopes to keep up average grade of ore going to the mill. At many mines increasing grade means that a certain amount of material must be sacrificed that would yield some profit if mined along with the higher grade material.

As the company did not incur any indebtedness in reaching production, the treasury position of the company should be building up rapidly to the point where consideration can be given to expansion, dividends or both.

Magnet Consolidated

Can you give me some idea as to current earnings of Magnet Consolidated? Would you say that the mine position was sound?

From July 1 to Dec. 31 last year, Magnet Consolidated Mines realized a net profit equal to 6 cents a share. This indicated an annual earnings rate of 12 cents a share per annum. As production has been at a somewhat higher rate so far in 1940 compared with 1939, it appears earnings may be running above the 12 cent per annum rate of last year if higher production is not being offset by increased development costs.

An initial dividend of 5 cents a share was paid on April 30, and it appears possible that this dividend will be repeated before the end of the year.

Exploration of the Magnet property at depth has been revealing good lengths of high-grade ore, and ore reserves of 48,000 tons reported at the end of 1939 may have been increased somewhat. Based on the tonnage of ore being milled at present, ore reserves were sufficient for something over one year's operations last December.

Lake Shore

What do you think of the present position of Lake Shore Mines? Does the company seem to be maintaining its earnings and ore reserves?

To those who have watched the decline in production of Lake Shore Mines over the past year, the decline in profits to $2.77 a share for the year ended June 30, 1940, compared with $3.54 a share for the 1939 period came as no surprise. However, the trend of quarterly production has been upward the last two quarters and earnings have kept up recently, it is believed. The company, of course, must pay out 12% of its profits under the "Excess" Profits Tax, but it is generally anticipated the $2 dividend rate can be maintained in spite of this.

Since no estimate of ore reserves is published, it is rather difficult to gauge the company's mine position. As at June 30, 1940, there was 13,290 ft. of ore exposed in drifts which averaged 0.5 ounces of gold per ton across an average width of 54 inches. This compared with 16,803 ft. averaging 0.6 ounces across 54 inches at the end of the previous year. Going back six years, length of ore exposed at that time was 16,540 ft. averaging .67 ounces across 61 inches. A higher price is now being received for gold which offsets somewhat the lower average grade of ore now in reserve.

Decline in production last year was largely attributable to rock bursts which interrupted the continuity of mining operations at depth; it proved necessary to mine a considerable tonnage of lower grade ore from the upper horizon, and finally it was decided to reduce tonnage of ore milled. No recent interruptions have been encountered from rock bursts and it is hoped that the method evolved for handling the rock burst problem will allow mining operations to continue unhampered. Preparations are being made for the carrying of mining to greater depth, it is understood.

Noranda Mines

Have earnings of Noranda Mines been keeping up this year? What is the present outlook from the earnings point of view?

While production for the first six months of 1940 showed only a slight increase over the corresponding period of 1939, earnings of Noranda Mines were maintained at $2.31 a share for the half year, compared with $2.38 for the same period of 1940 even though taxes were some $570,000 higher. Increase in Noranda's miscellaneous income, which includes dividends from its gold mining operations was chiefly responsible for keeping earnings up.

Prospects just now appear bright for further increase in miscellaneous income as Waite Amulet Mines has just commenced paying dividends, and another subsidiary, Aunor Gold Mines, should join the dividend ranks shortly.

Regular dividends are being received from a subsidiary in Nicaragua, Compania Minera La India. A new gold deposit is also being opened up in Nicaragua and profit possibilities are said to be interesting from early indications.

With earnings running considerably over the dividend rate of $4 a share per annum, it appears that working capital is being steadily increased with operating profits much larger than net profits. Capital expenditures for new enterprises are considerably lower than for some time past and no large new undertakings appear in prospect at the moment. Ore reserves at the end of 1939 showed a slight decrease from those at the end of the previous year, but were still sufficient for approximately fourteen years' future operation for the Noranda smelter.

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Sudbury Thinks it Likes New Parking Meters

From Our Own Correspondent

SUDBURY.—The first city in Canada to install the system, Sudbury is experiencing what is generally admitted to be satisfactory results from its parking meters established in the congested business section of the city a little over a month ago.

Designed to relieve the congestion in the centre of the city, where parking created an almost unbearable traffic problem, the meters have met with much favor from motorists who were originally opposed to them, and businessmen state that the innovation is proving a boon, enabling a far greater number of motoring shoppers to make their purchases than was possible under the conditions that previously obtained.

Sudbury has erected 290 meters on the main streets. They are able to take care of as many as 5,000 cars on busy hours. It is said to be characteristic of the system that metered parking space on the streets sees a large turnover of cars.

Revenue $500 weekly

Revenue collected from the meters has aggregated well above the original estimates, averaging almost $500 weekly for the first four weeks. The average take from the 290 meters has been around $83 per day. The meters are not effective on Sundays or holidays.

The total cost of the system installed will reach a total of approximately $30,000, including the 10% import duty (the equipment comes from the United States). Although winter patronage will fall off somewhat, indications are that the full year's revenue should be around $26,000, of which the parking meter company receives 75% and the city of Sudbury 25% until the meters are completely paid for. It would appear, therefore, that the meters could be paid for in about one and a half years, after which all revenue would revert to the municipality. At present the meters are on a six months test, subject to city council's approval.

Ousts Parking Hog

The cost to motorists is one cent for 12 minutes, five cents for the hour, and the meters automatically register the fact if a parker overstays his time. While it was figured each meter would yield 22 cents per day, to date the return has been around 30 cents.

Apart from the apparently good financial return from the system, it has done a great deal to solve the traffic problem in the business streets of the city. It has removed the habitual parker who hogged space on a street for hours at a time, and has left the thoroughfare more or less free for shoppers and business people.

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"Mining" For Oil

Canada may possess "oceans" of oil. The problem is to get it out of the ground. Here is a petroleum engineer who "mines" for oil, sinks a shaft, drills horizontal wells. Using his method he believes Canada has fabulous oil potentialities. Here's why — and how.

By GORDON M. GRANT
Staff Writer, The Financial Post

"Within Canada lies the solution of the British Empire's oil problem—and the solution can be proved and a pipe line built to tidewater for less than the cost of one battleship."

So says Leo Ranney, petroleum engineer, known to oil men both here and in the United States. He considers that fields such as Vermilion, Wainwright, Lloydminster and Ribstone are potential sources of great quantities of 14 to 18 degree gravity oil. To recover it commercially he suggests a unique method—literally mining for oil. He explained his patented system to The Financial Post.

While 14 to 18 degree gravity oil would ordinarily be too heavy to be pumped through a pipe line in winter months, a solution is available for that problem—mixing the heavy oil with naphtha from gas wells and with light oil from Turner Valley. This would reduce viscosity and make the oil easily transportable.

Recover a Billion Barrels?

Possibility of recovering over a billion barrels of oil from western low-grade fields is visualized by Mr. Ranney without even considering huge reserves in tar sands of the north.

Oil sands in the Vermilion, Wainwright, Lloydminster and Ribstone fields are stated to contain from 1,000 to 1,700 barrels of oil per acre-foot of sand—say 1,250 barrels. Then if a saturated thickness of 20 ft. is assumed (in some places it is very much greater) there is a reserve of 25,000 barrels per acre—or 16 million barrels per square mile.

While the productive area of these fields has not yet been outlined, if 100 square miles is found to be productive, a reserve of 1.6 billion barrels of oil would be indicated—something the dictators would sacrifice a million men to get.

Mr. Ranney believes that with his "mining" methods for securing the oil, 75% of this reserve might be recovered, or 1.2 billion barrels of oil. With ordinary methods perhaps only 5% recovery can be expected with 95% of the oil left in the ground, he says.

To secure the oil, Mr. Ranney would sink shafts just the same as in mining for gold—then drill horizontal "wells" from the bottom of the shaft which would be entirely in the pay zone—the oil sands. Methods such as this are new to Canada, but they have already been found feasible in a number of older fields where gas pressure has disappeared. For years oil has been recovered in France by sinking shafts.

Given an oil sand practically untouched, such as the Vermilion, Lloydminster and Ribstone fields, and Mr. Ranney believes recovery of from 18,000 to 20,000 barrels could be expected for each 20 ft. of sand thickness.

Cost of Shafts

Depth to the bottom of the oil sands in these fields varies from 1,200 to 2,200 ft. Mr. Ranney's proposal is that a shaft would be sunk on each 1,000 to 1,200 acres by a new rotary method developed in Los Angeles. Cost of a shaft would not be more than the cost of three vertical wells in the Turner Valley field, he says. Each shaft would be lined with reinforced concrete and at the bottom would have a working chamber in the oil sand. From this working chamber, horizontal wells would be drilled near the bottom of the sand, radiating like spokes in a wheel, for lengths as great as 4,000 ft.

Huge Recovery Seen

Recovery from each shaft and its radiating wells would be expected to be about 20 million barrels of oil for each 20 ft. of sand. Development of 1,000 acres by this method would cost much less, he says, than the $2 millions needed for development by vertical wells, and recovery would be more than 10 times as great, according to Mr. Ranney's calculations.

Operating costs would be much less per barrel, since oil would flow by gravity to the shaft, from which it would be pumped to the surface by one big pump—instead of 100 pumps that would be required if development were by vertical wells. In fact, total cost of developing and operating would, he predicts, be less than 15 cents per barrel of oil recovered.

All Problems Solved

In the whole programme no problem would be encountered that is not now being met in some form and solved, Mr. Ranney is certain.

There is an abundance of natural gas in these districts. Gas could be heated and injected into alternate horizontal wells (every other spoke of the wheel), thereby warming up the sand and making the oil less viscous, so that it would move more readily (under warm gas pressure) through the sand to the horizontal producing wells.

Whatever the nature of the oil-bearing stratum — limestone, sandstone or loose sand—the Ranney method is stated to be workable. In rock, horizontal wells do not cave. In unconsolidated sand, special methods are used to prevent caving.

The same method might be used for producing oil from tar sands.

Why Heavy Oil Important

There are several reasons why heavy type oil may be very important at the present time. First of all, it would help establish the economic justification for a pipe line to the head of the Great Lakes or to the Pacific coast. Secondly, it is important to produce heavy oil while we have naphtha and light oil as mixers to make the heavy oil flow through a possible pipe line in winter time. Third, there is a big potential Canadian demand for heavy type crude.

Oil For 75 Years

Assuming a reserve of 1.2 billion barrels of heavy oil there would be sufficient oil to deliver 50,000 barrels of oil daily through a 10-inch pipe line to Vancouver for 75 years.

Horizontal Well's History

The first horizontal oil well ever completed was drilled on a surface outcrop in Morgan county, Ohio. The hole was drilled on an outcrop to save cost of sinking a shaft. At this outcrop, a very light oil—43 degrees gravity—had been seeping out as long as anyone remembered—until, experts said, only 15% of the original oil was still left in the sand. They added that no more oil could be commercially recovered from the sand "by any method."

Bettered Vertical Well

The first horizontal well at this location produced more oil than the nearest 50 producing vertical wells—which were more than half a mile from the outcrop of the sand, where the oil content is several times as great.

Given an oil sand practically untouched, such as the Vermilion, Wainwright, Lloydminster and Ribstone fields, Mr. Ranney believes that unique recovery could be expected.

Can Control Holes

In drilling horizontal wells it has been found possible to control the horizontal inclination of the hole. In the first horizontal well, the hole was surveyed every 100 ft. and turned up or down at will within a space of 10 ft. The first branch of the well was drilled in 802 ft. The lowest point in the hole was 17 inches below the mouth, the highest point four inches above the mouth, and the last 150 ft. was slanted upward at the rate of one inch in 10 ft. The well was 2⅝ inches in diameter.

The rod puller is one of the new inventions used in the drilling of the horizontal type wells. It runs the drill rods out of one well while running them into the well on the opposite side of the shaft—at a speed of about 100 ft. per minute. Mr. Ranney claims drilling time can be reduced by as much as 90% by this "double-cut" method.

Shaft Sealed Off

A relatively simple machine does the drilling of wells from the bottom of the shaft.

When production wells are being drilled from the shaft, no gas, oil or water is allowed to escape into the shaft. After the horizontal wells are completed they may be "shot" with nitroglycerine. Only wells in limestone or sandstone are shot—none in unconsolidated sand.

Pumping Costs Light

Pumping the oil to surface is not an expensive job. Using a large pump, the cost is stated to be less than one cent per barrel for each 1,000 ft. of lift. The shaft put down has a diameter of 5 to 8 ft. with walls of concrete. At the bottom of the shaft is a circular chamber 20 ft. in diameter and below this chamber is a sump just as at the bottom of a shaft in mining.

"Shooting" the horizontal wells at the bottom of the shaft can be much more effective than the corresponding operation with a vertical well, Mr. Ranney says. Practically the entire length of a horizontal well can be shot effectively whereas a relatively few feet are affected when a vertical well is set off. The horizontal holes tend to be self cleaning as there is no gravity to prevent solid material from coming out of the well.

Drilling horizontal wells from the bottom of a shaft said to be 90% faster.

Mining Concentrates

Bulolo Gold Dredging had a working profit of 7,254 fine ounces of gold in August, representing $253,890 in U. S. funds. This compared with 6,788 ounces and $237,580 in July. August production of 15,389 ounces was obtained from 1,613,000 cubic yards dredged compared with recovery of a 13,822 ounces of gold from 1,545,000 cubic yards of gravel in July.

* * *

De Santis Porcupine Mines production for August showed an increase over that of the previous month:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
August ...	4,983	161	6.04	30,099
July	4,796	155	5.83	27,963

* * *

Jason Mines production for the first half of September amounted to $35,000 suggesting that output for the full month may exceed the $67,801 recovered in August. August operating profit amounted to $40,072.

* * *

Malartic Gold Fields had developed its F ore body on the second level for a length of 250 ft. at the end of August averaging 0.43 oz. across a drift width of 6.7 ft., the progress report for last month reveals. Drifting west on D ore body at the first level was carried 50 ft. in 0.34 oz. ore extending the drift length to 624 ft. during the month. Diamond drilling of A ore body was also carried out on the first and fourth levels. On the fourth level, a hole cut 7.5 ft. running 0.72 oz. and 9 ft. running 0.22 oz. Another hole cut 34 ft. averaging 0.56 oz. on the westerly extension of A ore body. Shaft sinking was carried 51.3 ft. during August, giving the shaft a total depth of 772.1 ft.

* * *

McMarmac Red Lake Gold Mines has practically completed its mill but with power line connections not yet completed, it will likely be some time next month before actual milling operations start. Ore from the dump will be put through the mill first while the 150 and 300-ft. levels are being readied for regular mining operations. The shaft has been completed to the 450-ft. horizon and a crosscut has been started to explore the downward continuation of the ore zone there. Financing of mill construction was arranged by advances of approximately $125,000 from McKenzie Red Lake Gold Mines.

* * *

Naybob Gold Mines showed an average gold recovery of $10.91 a ton in the second half of its fiscal year which ended Aug. 31, 1940, compared with $9.66 for the first half despite an increased tonnage of ore taken from development faces. August production showed a sharp increase over the previous month.

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
August ...	4,747	153	12.41	58,953
July	4,616	149	10.67	49,270

* * *

Northern Empire Mines Co. reports an increase in production last month:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
August ...	5,471	176	9.21	50,369
July	4,747	153	9.33	44,325

* * *

Reno Gold Mines production in August was $38,000 compared with $44,000 for July. Fire destroyed 300 ft. of the skipway which is the means of access to the main working level at 4,900 ft. elevation but the aerial tram was not affected except for one tower on the route from the Bluestone workings. Repairs are now being affected.

* * *

Sachigo River Exploration Co. has now definitely become a salvage job with results in the first six months of this year completely changing the mine picture, shareholders are informed. The milling rate has been increased a third and ore reserves are sufficient to keep the mill operating until April, 1941, at this rate. It is estimated that the company will have net quick assets of $3 a share in cash plus any amount that may be realized from supplies. Shareholders are asked if they would like to receive a payment representing practically all liquid assets or to receive a payment of say $1 a share with remainder retained to secure interests in other mining properties. A third suggestion is that all cash be kept intact for the acquisition of new properties.

* * *

Sturgeon River Gold Mines production was higher in August:

1940:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
August ...	2,281	74	16.38	37,359
July	2,234	72	14.81	33,091

* * *

Slave Lake Gold Mines has called a special meeting of shareholders for Sept. 26 in Toronto to authorize payment of a 5% premium on redemption of $100,000 of bonds at maturity and the borrowing of money if needed from the Bank of Nova Scotia. There is now a crew of 30 men at the property and several hundred tons of machinery, equipment and supplies have either landed or are en route to the property.

* * *

Sigma Mines (Quebec) has declared an interim dividend of 15 cents a share payable Oct. 15 to shareholders of record Sept. 30. An initial dividend of 30 cents a share was paid last July 27.

* * *

Sullivan Consolidated Gold Mines has declared an interim dividend of 3 cents a share payable Nov. 1 to shareholders of record Oct. 5. Two dividends of similar amount were paid earlier this year, making 9 cents a share declared in 1940. Last year 7 cents a share was paid.

* * *

Sand River Gold Mining Co. has now revealed 1,400 ft. of ore on its bottom level, twice the length of ore revealed on the upper levels. Drifting westward has now been resumed in an attempt to open up still further ore. Production in August showed little change from the previous month, amounting to $32,802 from 2,808 tons of ore for an average recovery of $11.68 a ton as compared with $32,204 from 2,699 tons of ore and average recovery of $11.87 a ton the previous month.

East Malartic Drilling Shows Ore at Depth

Important confirmation of the downward continuation of the main ore body of East Malartic Mines is given by a drill hole, put out to the south from the 1,570-ft. level station. This hole cut a width of 46.3 ft. of ore with an average cut grade of $6.13 a ton, according to the August progress report.

A hole put out from the 1,420-ft. level station also cut 14.8 ft. of $5.27 of cut grade ore. The hole had to be stopped while still in ore, however, due to a heavy water flow. A similar hole at the 1,270-ft. level returned $6.06 cut grade over 40.2 ft.

Broken ore reserves had been built up to a total of 419,916 tons at the end of August.

BROULAN MILLING DELAYED

Due to adverse weather and delays in delivery of certain equipment, it is not now anticipated that milling at Broulan Porcupine Mines will start before Oct. 15. Previously it had been expected the mill would turn over about Oct. 1. The company will issue its quarterly report in about two weeks.

God's Lake Resumes Shaft Sinking

Following installation of new automatic equipment at its No. 2 shaft, God's Lake Gold Mines has resumed shaft sinking toward its objective of 2,000 ft. The shaft is now down something over 600 ft.

From indications the vein is expected to be encountered around 1,200 to 1,500 ft. depth in the shaft. The mill is currently handling 200 tons of ore per day.

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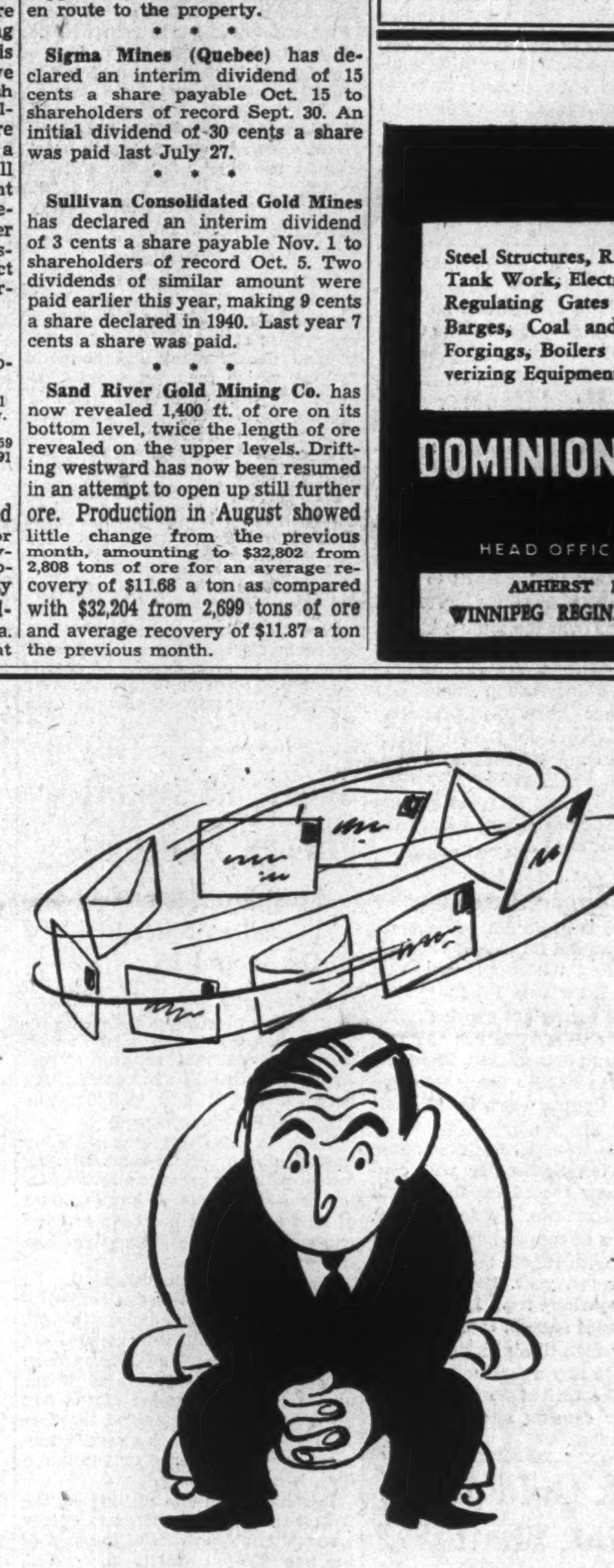

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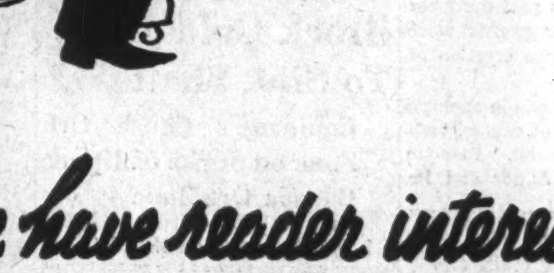

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